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United States Department of Agriculture

Foreign
Agricultural
Service

Trade Policies and Market Opportunities for U.S. Farm Exports

1986 Annual Report

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United States
Department of
Agriculture

Foreign
Agricultural
Service

Trade Policies and Market Opportunities for U.S. Farm Exports

1986 Annual Report

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

JAN 16 1987

Honorable George Bush
President of the Senate
United States Senate
Washington, D. C., 20510

Dear Mr. President:

I am pleased to transmit to you the first annual report on the agricultural trade policies of other governments and market opportunities for U. S. agricultural exports, as required by Section 1132 of the Food Security Act of 1985.

The enclosed report meets several objectives. First, it responds to the request in Section 1132 for detailed documentation of other countries' government programs that provide direct or indirect support for their export of agricultural commodities, or that impede their importation of U. S. agricultural products, and for identification of export market opportunities for U. S. agricultural products. Second, it tries to present the information in a succinct form for general use. Third, it provides some indication of changes in trade that might be expected in the absence of the policies or other trade constraints listed.

Copies of the report are also being furnished to the United States Trade Representative, who will make a separate report to the Congress concerning the export policies identified, and to the Agricultural Policy Advisory Committee and the agricultural technical advisory committees for trade. Each of these committees will be convened as soon as possible in order to obtain their recommendations.

An identical letter has been sent to the Speaker of the House of Representatives.

Sincerely,

Richard E. Lyng

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RICHARD E. LYNG
Secretary

Enclosure

Abstract

This report describes the agricultural production and trade policies of more than 100 countries. It identifies government programs that aid agricultural exports or impede agricultural imports from the United States, and identifies market opportunities for U.S. agricultural exports. Agriculture is the first economic occupation of every country, and virtually every country continues to provide support and protection to agriculture to some degree. In Europe this is done primarily by comprehensive market regulations; in small countries there is greater use of direct control of marketing, and sometimes production as well, by government agencies. Where possible this report indicates the nature of the change in U.S. trade that might occur in the absence of the government policy or other trade constraint identified.

Keywords: Agricultural trade policies, Food Security Act of 1985, U.S. agricultural exports.

Additional Copies: A limited number of copies of this report are available from the Foreign Agricultural Service, Information Division, Room 5918-S, U.S. Department of Agriculture, Washington, D.C. 20250-1000.

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INTRODUCTION

Section 1132,
Food Security
Act of 1985

Section 1132 of the Food Security Act of 1985 directs the Secretary of Agriculture and subsequently the United States Trade Representative as follows:

(a) The Secretary of Agriculture shall require appropriate officers and employees of the Department of Agriculture, including those stationed in foreign countries, to prepare and submit annually to the Secretary detailed reports that

> (1) document the nature and extent of --
>
> > (A) programs in such countries that provide direct or indirect government support for the export of agricultural commodities and the products thereof; and
> >
> > (B) other trade practices that may impede the entry of U.S. agricultural commodities and the products thereof into such countries; and
>
> (2) identify opportunities for the export of U.S. agricultural commodities and the products thereof to such countries.

(b) The Secretary shall annually compile the information contained in such reports and make such information available to Congress, the Agricultural Policy Advisory Committee and the agricultural technical advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155), and other interested parties.

(c) The United States Trade Representative shall --

> (1) review the reports prepared under subsection (a) and any other information available to identify export subsidies or other export enhancing techniques (within the meaning of the agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade);

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(2) identify markets (in order of priority) in which U.S. export subsidies can be used most efficiently and will have the greatest impact in offsetting the benefits of foreign export subsidies that --

(A) harm U.S. exports,

(B) are inconsistent with the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade,

(C) nullify or impair benefits accruing to the United States under international agreements, or

(D) cause serious prejudice to the interests of the United States, and

(3) submit to the Congress and to the Secretary of Agriculture an annual report on --

(A) the existence and status of export subsidies and other export enhancing techniques that are the subject of the investigation conducted under paragraph (1), and

(B) the identification and assignment of priority to markets under paragraph (2).

(d) The Secretary and the United States Trade Representative shall convene a meeting, at least once a year, of the Agricultural Policy Advisory Committee and the agricultural technical advisory committees to develop specific recommendations for actions to be taken by the Federal Government and private industry to --

(1) reduce or eliminate trade barriers or distortions identified in the annual reports required to be submitted under subsections (a) and (c); and

(2) expand U.S. agricultural export opportunities identified in such annual reports.

First report

This is the first report submitted by the Secretary of Agriculture to meet these mandates of the Food Security Act. The report is submitted to the Congress and also to the United States Trade Representative and to the members of the Agricultural Policy Advisory Committee and the Agricultural Technical Advisory Committees, which will be convened early in 1987 to review the report.

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This report provides a description of the agricultural production and trade policies in each of more than 100 countries. Most of these countries are members of the General Agreement on Tariffs and Trade (GATT), which imposes a number of trade policy obligations on its members. Countries which do not belong to the GATT are so indicated in the text.

Tabular data

For most countries in this report, additional tables are provided describing significant programs that affect exports in competition with U.S. agricultural exports, policies that impede imports of agricultural products from the United States, and market opportunities for U.S. agricultural exports. The tables generally do not list products unless the trade affected is likely to be several million dollars or more.

The product coverage of the three tables overlaps. Therefore, commodities listed in the table on import barriers, have usually not been repeated in the table or market opportunities. That table focuses especially on products that could benefit from market development if import barriers and the constraints listed were removed. The constraint described as "Lack of awareness" means simply that in the absence of other barriers, the U.S. product would need market promotion.

Statistical reporting differences

There is a wide difference in the trade reported in U.S. export statistics and the trade reported in foreign import statistics for the same product. U.S. statistics for U.S. exports are generally used in the table on import barriers, while foreign statistics are generally used in the other tables.

Trade impact estimates

Finally, each table contains a column estimating the change in trade that might be expected if the policy or constraint in question were removed. These estimates, of course, are very rough judgments and would usually take a few years to achieve. It was not possible for this first report to provide a consistent methodology for making these estimates. Therefore, while estimates are sometimes provided as specific numbers, based on experience in the market or in similar markets, the numbers should be taken only as a very general guide to the relative change and size of trade. Often the anticipated change is described in other terms, as "significant," or "moderate" (if the relative change expected is smaller than for other products).

Omissions

The report generally does not discuss policies related to products that are not significant in U.S. agricultural export trade--such as sugar, coffee, cocoa and other tropical products, wool, and sheep meat.

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Since the Department has market development responsibilities for forest products, significant market opportunities in this area are listed; however, forest products are generally not included in the statistics on agricultural exports, and there is usually no description of government policies.

With some exceptions, the report does not discuss plant and animal health regulations.

SUMMARY AND CONCLUSIONS

Pattern of U.S. agricultural exports

In 1985 U.S. agricultural exports totaled $29 billion, of which a little less than $2 billion was food aid--exports under noncommercial programs (PL 480, Section 416 donations, and AID). About half of the total exports went to developed countries.

U.S. Agricultural Exports, 1985
($ Billion)

Country	Total	Commercial	Other
Developed countries	14.5	14.5	---
European Community (12)	6.5	6.5	---
Japan	5.4	5.4	---
Canada	1.6	1.6	---
Developing countries	12.0	10.2	1.8
Mexico	1.4	1.4	0.1 1/
Brazil	0.5	0.4	--- 1/
Venezuela	0.6	0.6	---
Taiwan	1.2	1.2	---
Korea	1.4	1.4	---
Egypt	0.9	0.6	0.3
Central planned countries	2.5	2.5	---
USSR	1.9	1.9	---
East Europe	0.5	0.4	--- 1/

1/ Balance does not add due to rounding. There are also differences in the way data on commercial and noncommercial shipments are reported.

Export expansion and foreign trade practices

Export subsidies and restrictive import policies of other countries are often cited as obstacles to the expansion of U.S. agricultural exports. Often these policies are intended to support domestic producers, but sometimes they reflect broader economic development or balance of payments considerations. Obstacles may be removed by creating a demand for the product, by negotiation, or by threat of retaliation. Retaliation, however, carries the greatest risk of foreign reaction against U.S. exports.

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The programs of the U.S. Department of Agriculture emphasize market development. Over the years the Department and the United States Trade Representative have raised with the foreign governments involved most of the policies described in this report. Some have been the subject of specific trade disputes, especially where GATT or other trade agreement obligations give us a clear right to protest and there is a significant adverse effect on U.S. exports.

In the case of developing countries, low income and the need to conserve foreign exchange are often major constraints to trade. Economic development objectives provide the rationale for many trade barriers. Consultations over trade barriers are more often conducted in the context of a review of balance of payments problems.

European Community

The European Community insulates its farmers from the international market. Grains and livestock products, including poultry and eggs, are protected primarily by variable import levies which impose a charge on imports equal in most cases to the difference between EC market price targets and the lowest price of imports. Levies are adjusted daily for grains, less often for other products. Products protected by variable levies are sold domestically at prices well above world market levels and are exported with the help of export subsidies. Export subsidies are also significant for a number of other products.

Meat and meat products (including poultry) in the EC are also subject to rigid slaughterhouse inspection standards and other health regulations, which can disrupt trade. Horticultural products and tobacco are protected mainly by tariffs and domestic subsidies. The most important products free of all import charges and restrictions are oilseeds, oilseed meals, non-grain feed ingredients, and cotton.

Other West European countries

Other West European countries also rely heavily on variable levies. State agencies control grain marketing in some Scandinavian countries. Imports of fruits and vegetables that compete with domestic products are often limited to certain seasons. Import quotas are employed especially by Switzerland for some products. Unlike the European Community, production surplus to domestic needs is usually not encouraged. Export subsidies by these countries are therefore less of a problem to the United States. However, subsidized exports of grain from Finland and Austria have displaced U.S. exports to certain markets.

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Japan	Japan uses a variety of direct and indirect controls on imports: quotas, state monopolies, licensing or other guidance to importers, and relatively high tariffs. While Japan is willing to pay a high price to support inefficient farms, the nation must import much of its food requirements. Except for rice, there are usually no surpluses for export.
Canada	Canada supports and protects grain production especially through its Wheat Board (which operates a two-price system for wheat and controls imports of wheat, barley and oats by licensing) and through transportation subsidies. Quotas are used to regulate imports of beef, poultry, eggs, and dairy products. Seasonally high tariffs and special safeguard provisions apply to fruits and vegetables. Other protection and support is given by both the federal and provincial governments.
Australia, New Zealand	Australia and New Zealand also rely heavily on marketing boards and price stabilization programs. New Zealand is phasing out the use of import licensing, which has been a requirement for many products. Australia, and to some extent New Zealand, effectively prohibit many imports by plant and animal health laws. Tariff and mixing regulations affect imports of U.S. tobacco. Export subsidies are not significant.
Developing countries	Developing countries protect their producers in many ways, but especially by import licensing, direct control of imports by government agencies, and high tariffs. Shortage of foreign exchange often results in prohibition of imports deemed unessential. Export subsidies are rare, but some countries have used export tax policies to encourage exports of domestically processed products.
Communist countries	Trade in Communist countries is conducted through government agencies. In most cases opportunities for trade in other than bulk commodities are limited.

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ALGERIA

U.S. exports to Algeria

U.S. agricultural exports to Algeria in 1985 totaled $227 million, of which $123 million was wheat; $60 million, corn; $14 million, almonds; $10 million, inedible tallow; and $8 million, pulses.

Algerian economy and agricultural policies

Algeria depends almost exclusively on petroleum and gas for export earnings, while foodstuffs account for 20 percent of imports. Agricultural programs aim at irrigation and other investment to improve the quality of the land. Prices are controlled at all levels. About one-third of the arable land is in state farms. Imports in most cases are through state agencies. Acceptance of U.S. products has increased, especially for wheat and pulses.

Algeria is not a member of the GATT, but has agreed to apply its provisions.

Algeria traditionally exports wine to Europe, but is not otherwise a significant exporter of agricultural products.

Government Support For Exports

None of significance to U.S. exports.

Trade Practices Impeding U.S. Exports to Algeria

State trading is the principal barrier.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Feed grains	141	70	Lack of product awareness	40

ANGOLA

U.S. agricultural exports to Angola in 1985 totaled $11 million, of which $5 million was under food aid programs. The principal commercial export to Angola was dry beans ($4 million).

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Angola has a Communist government; imports are through state agencies. Angola is a minor exporter of cotton, as well as coffee and sisal, but is not a significant competitor of U.S. exports.

Angola is a large importer by regional standards because of its oil revenues. Total agricultural imports in 1985 were $288 million, of which the European Community supplied $135 million. The United States is Angola's leading trade partner overall, despite the lack of diplomatic ties. U.S. agricultural exports could be significantly expanded with market promotion. For example, U.S. exports of beans have been as high as $30 million in fiscal year 1981.

Angola is not a member of the GATT, but has agreed to apply its provisions.

ARGENTINA

U.S. exports to Argentina

U.S. agricultural exports to Argentina in 1985 totaled $15 million, of which $4 million was seeds; $3 million, animals and poultry, especially live for breeding; $1 million, beverage flavorings; $0.8 million, essential oils; $0.8 million, bull semen; and $0.7 million, almonds.

Argentine exports

Argentina is a major producer and exporter of agricultural products, including grains, oilseeds and oilseed products, beef, apples and apple concentrates, and other fruits. Argentina's agricultural exports in 1984 were valued at over $6 billion.

Argentine policies

Argentina's climate and soil give it a natural advantage in the production of many agricultural commodities. It is a market primarily for animal and vegetable breeding materials. Argentina taxes most agricultural exports. In some cases, however, a lower tax rate is provided for processed products, thereby favoring domestic processing. This practice is the subject of a Section 301 complaint by the National Soybean Processors Association. Argentina also provides a rebate of indirect taxes on exports of certain processed fruits and vegetables.

The United States has been imposing countervailing duties on Argentine wool exports to the United States since 1983.

Imports are controlled primarily by the requirement of an import license accompanied by the prior deposit of customs duties. Imports are divided into categories according to priority for foreign exchange. Licenses are not issued for products considered luxuries or available from domestic sources.

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Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Apple juice concentrates	Tax rebates	45	35
Oilseed meals and oils	Differential export taxes	1,500	1,400
Leather	Differential export taxes	250	150

Note: Differential export taxes are applied to a number of commodities in order to encourage the export of processed products rather than raw materials.

Trade Practices Impeding U.S. Exports to Argentina

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
All agricultural products locally produced	Import license (temporary authorization)	18	Save foreign exchange	$30 million
Frozen embryos	Health regulations		Save foreign exchange	$1 to $2 million

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Breeding livestock	2.4	0.4	High freight costs; import duties	0.4
Lumber	56.0	1.2	Same as above	1.2

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AUSTRALIA

U.S. exports to Australia

U.S. agricultural exports to Australia in 1985 totaled $113 million, of which $22 million was tobacco; $16 million, vegetables and preparations; $14 million, nuts; $12 million, fruits and preparations; and $12 million, oilseeds and products.

Australian exports

Australia is a major producer and exporter of agricultural products. Australia's agricultural exports in 1985-86 were estimated at $8,047 million, including wheat, $2,093 million; wool, $2,030 million; beef and veal, $924 million; sugar, $423 million; barley, $418 million; dairy products, $314 million; cotton, $261 million; live sheep, $126 million; sheep meat, $159 million; sorghum $113 million; rice, $110 million; dried vine fruit, $43 million; lupines, $36 million; and apples and pears, $32 million.

Australian policies

Australia uses national or state corporations or both to oversee producer price stabilization programs and to unify export marketing or market promotion of wheat, meat, wool, dairy products, apples and pears, canned fruit, dried fruit, honey, and tobacco. In large part, price stabilization pools and market promotion are financed by producers, but minimum price guarantees occasionally result in subsidies to some of these products, in particular, butter.

One important trade practice which is frequently a problem for U.S. exporters is the differential pricing employed by the Wheat Board in export sales. By virtue of the monopoly power over wheat exports entrusted to the Board by the Government, the Board is in a unique position to adopt lower than posted price levels on its sales to certain key markets when it wishes either to initiate new business or expand its market share. Even though such differentiated prices, relatively high for some markets and especially attractive for others, may not constitute a subsidy, they represent the use of Government authority to carry out a non- market pricing mechanism. This in turn results in loss of sales in certain markets for exporters of U.S. wheat.

A wide range of imports are prohibited or severely limited by strict plant or animal health regulations. Otherwise, for most products, imports are limited only by the customs duty. In the case of tobacco, to qualify for a relatively low duty on imported tobacco, cigarette manufacturers have agreed to use at least 57 percent domestic leaf; otherwise the duty is roughly three times higher on imported leaf.

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Imported beer and nonalcoholic grape wine and cider are subject to a 20 percent discriminatory sales tax, and orange juice not containing Australian juice is subject to a discriminatory tax.

Government Support for Exports

The principal subsidy to Australian agriculture is the two-price system operated by the various marketing boards. The greatest assistance in recent years has been given to eggs. However, the level of assistance in general has been declining, and it would not appear that the elimination of Australian exports would significantly benefit U.S. agricultural exports.

Trade Practices Impeding U.S. Exports to Australia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Tobacco	57% local content requirement	22	Protect producers	At least $5 million increase in exports

Market Opportunities

Market opportunities exist for a variety of food products, not bulk commodities. No single product, however, stands out as likely to produce a major expansion in U.S. sales to the Australian market.

AUSTRIA

U.S. exports to Austria

U.S. agricultural exports to Austria in 1985 totaled $26 million, of which $7.8 million was tobacco; $3.3 million, almonds; $2.7 million, seeds; $1.5 million, beef; $1.4 million, rice; $1.2 million, fruit; $1.0 million, cotton; and $1.0 million, furs.

Austrian exports

Austrian agricultural exports totaled $767 million in 1985. The principal exports are cereals, cattle, beef, butter, and cheese.

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Austrian policies

Producer prices are set for a number of basic commodities, but price controls also apply at the wholesale and retail levels.

Grains

A premium price is set for high quality wheat and durum wheat grown under contract; otherwise grain production is not restricted. A deduction is made from support prices to cover the cost of export disposal. The Ministry of Agriculture and producers pay equal shares into a fund administered by the grain marketing board. The amount paid depends on the need for export subsidies. The producer share is deducted from the producer price. Exporters apply to the board for the export subsidy.

In addition, there are storage subsidies to millers who observe price guidelines, and subsidies to transportation. Trade is controlled by licensing of imports and exports, and the higher price of Austrian grains is offset by variable import levies and export subsidies.

Dairy products, meat and poultry

A similar arrangement applies to dairy products, except that milk production quotas are set, and producers pay levies on over-quota production. Support to livestock, meat, and poultry production is accomplished primarily through import licensing and variable levies; proceeds from the latter are used to help promote exports. Larger production units must be licensed.

Other products

Fruit and vegetable imports competitive with Austrian products are subject to licensing and seasonal restrictions. Wine imports are subject to licensing and quotas. Tobacco imports are controlled by a state monopoly.

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Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Dairy products (cheese, dry milk, butter)	Dairies deduct an amount from the price to the producer (dairies apply for the amount needed). Milk marketing board collects money and forwards it to the Ministry of Agriculture. The producer contributes about 40% of the export subsidy cost.	190 (subsidies were about 215)	0
Cattle and beef	Export subsidies for breeder and dairy cattle are paid 50% by the Ministry of Agriculture and 50% by provincial governments. For slaughter cattle and beef, the payment is 80/20, respectively. Traders apply to both governments.	200 (subsidies were about 140)	0
Grains	Export subsidies; storage subsidies; transport subsidies	140 (Subsidies were about 195)	0

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Trade Practices Impeding U.S. Exports to Austria

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Grains, except rice	Import licenses required from Ministry of Agriculture; licenses are issued only for small quantities of corn (especially seed) and oats	16	Protect producers	$5 million

Market Opportunities

No other significant opportunities.

BAHAMAS

U.S. agricultural exports to the Bahamas in 1985 totaled $90 million, based especially on supplies for the tourist trade. Principal products were vegetables, $35 million; meat, $12 million; feeds, $11 million; miscellaneous cereal products, $8 million; beverages, $5 million; rice, $4 million; poultry and eggs, $3 million; dairy products, $3 million; fruit juices, $3 million.

Trade is relatively unrestricted. There are few exports. Winter cucumber exports total $0.5 million or more in some years.

The Bahamas are not a member of the GATT, but have agreed to apply its provisions.

BAHRAIN

U.S. agricultural exports to Bahrain in 1985 totaled $6.7 million, including vegetables, $1.6 million; poultry meat, $0.9 million; vegetable oils, $0.6 million; fruits, $0.8 million; fruit juice, $0.5 million; red meat (primarily beef), $0.5 million; and nuts, $0.4 million.

The desert conditions preclude significant agricultural production. Petroleum is the principal product and export. Bahrain's agricultural exports (including fish) totaled $200,000 in 1985. Bahrain subsidizes production of poultry, eggs, milk, vegetables and fruits, and subsidizes imports of rice, wheat, sugar, cattle, powdered milk and vegetable oils.

Most food is imported and is not subject to duties or restrictions.

Bahrain is not a member of the GATT, but has agreed to apply its provisions.

Government Support For Exports

None.

Trade Practices Impeding U.S. Exports to Bahrain

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	Government corporation buys basmati rice from India and Pakistan (other suppliers not invited to bid) and sells at subsidized price; other rice is not subsidized.	0.2	Basmati preferred	Significant
Wheat	Government controlled flour mill contracts with Australia	0	Custom; price	Significant if U.S. price is competitive

Market Opportunities

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Poultry meat	12	1.0	Competitors' subsidies	over 5
Rice	13	0.2	Preference (above); lack of awareness	over 5

BANGLADESH

U.S. agricultural exports to Bangladesh in 1985 totaled $124 million, of which $77 million was food aid. The principal products were wheat, $81 million; rice, $25 million; and cotton, $17 million.

Bangladesh also grows and provides price support for wheat, rice and cotton. Imports of these products are by the Government. Licensing limits imports to essentials. A short list of products, including dry and condensed milk, fruit, spices, tallow, coconut oil, palm oil, and soybean oil receive somewhat more liberal treatment to the extent that exchange is available from remittances by wage earners abroad.

The main agricultural exports are jute and jute products.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Bangladesh

The overriding factors limiting U.S. sales to Bangladesh are low income and shortage of foreign exchange. Other considerations are lack of product awareness, lack of infrastructure needed to market the product, lack of demand for quality products, lower cost of supplies from nearby sources. While the import regime described above is highly restrictive, it is not likely that removal of restrictions would often result in an increase in U.S. exports. (See also table below.)

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Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	95	57	Approval of the Ministry of Food; lack of storage and handling facilities	30
Corn	0	0	Prohibited; lack of product awareness	5
Soybean meal	0	0	Prohibited	5
Edible tallow	0	0	Lack of product awareness	5
Cotton	60	5	Long delivery for U.S. cotton; price	25

Note: Estimated increase in trade would require 3-5 years from the removal of the restraint.

BARBADOS

U.S. agricultural exports to Barbados in 1985 totaled $29 million, of which $11 million was cereal products and rice; $5 million, vegetables; $4 million, oilseeds and products; $2 million, meat; $2 million, poultry and eggs.

Barbados is a small market, primarily for the tourist industry. There are few import barriers. Sugar is the principal agricultural export.

BELGIUM (SEE EUROPEAN COMMUNITY)

BENIN

U.S. agricultural exports to Benin in 1985 totaled $10 million, of which $2.5 million was food aid.

Benin has a Communist government. Trade is state controlled. Agriculture is the principal economic activity. Subsistence agriculture supplies most needs.

Cash crops for export are cotton, peanuts and palm oil, valued together at less than $200 million.

BOLIVIA

U.S. agricultural exports to Bolivia in 1985 totaled $27 million, of which $21 million was food aid ($15 million, wheat).

The economy depends primarily on exports of tin and other minerals and has been severely depressed. Most Government revenues derive from earnings of the state petroleum monopoly.

An austerity program introduced in August 1985 largely ended efforts to control prices directly and provide consumer subsidies. Imports licenses are no longer required. Most imports are subject only to a 20 percent import duty. Wheat, however, is imported only by the Ministry of Industry and Commerce, and rice imports are prohibited, to protect the state corporation which buys and markets local production.

Coffee is the only significant agricultural export. There are no export incentives.

Bolivia is not a member of the GATT.

BRAZIL

U.S. exports to Brazil

U.S. agricultural exports to Brazil in 1985 totaled $470 million, of which $24 million was food aid. Brazil was the tenth largest market for U.S. agricultural exports. The leading U.S. exports were wheat, $308 million; corn, $64 million; soybeans, $46 million; dairy products, $15 million; hops, $10 million.

Brazilian exports

Brazil's agricultural exports in 1985 totaled $10 billion --roughly 40 percent of total exports--including coffee, $2.6 billion; soybean meal, $1.2 billion; soybeans, $0.8 billion; cocoa beans and cocoa products, $0.8 billion; orange juice, $0.8 billion; soybean oil, $0.6 billion; tobacco, $0.4 billion; and cotton, $0.2 billion.

Trade agreement with Argentina

In an effort to promote regional integration, Brazil with signed a bilateral trade agreement with Argentina in August 1986. Under this accord, the two countries agreed to coordinate wheat production, shipments, storage and supplies. In addition, Brazil agreed to import over eight million metric tons of wheat from Argentina over the next five years. This agreement may significantly affect U.S. exports to the extent that both Brazil and Argentina's domestic production can increase.

Brazilian policies

Minimum producer prices are set for a number of commodities, including grains and rice, soybeans and other oilseeds, and cotton. Most minimum prices are comparable to U.S. loan rates, except for the wheat price, which is more than twice the price of imported wheat.

Trade in wheat is controlled by the Wheat Board. CACEX, the foreign trade department of the Banco do Brasil, controls all imports and exports by licensing. Import needs for agricultural products are estimated in accordance with a national food plan, and licenses are issued primarily to cover deficits in domestic production or to obtain breeding stock, seeds and other raw materials. Imports of most other products are prohibited or severely restricted. When quotas are set--e.g., for apples and pears--Brazil may give preference in issuing licenses to suppliers other than the United States.

Export incentives

Export incentives are limited by financial considerations, but include subsidized credit, tax exemptions, and the use of export restrictions or taxes to assure low cost domestic supplies. Products which have benefited from export assistance include poultry, dairy products, eggs, cut flowers, certain fruits and vegetables, certain milled grain products, certain vegetable oils, prepared meat, processed cereal products, beverages, oilcake, and tobacco.

The U.S. Department of Commerce is investigating charges of dumping by Brazilian exporters of frozen concentrated orange juice. The United States has been imposing countervailing duties on subsidized Brazilian exports of castor oil since 1976.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Poultry	Preferential export financing; provision of subsidized corn to producers; income tax exemptions		Exports would continue to decline at accelerated rate
Oilseeds and products	Preferential export financing; differential export taxation — (Use of programs is already declining)		Shift to production for domestic consumption

Trade Practices Impeding U.S. Exports to Brazil

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Apples, pears	15% duty within 10,000 ton quota; 32% duty over quota. U.S. not competitive over quota.	0.05	Save foreign exchange; protect producers	Potential apple market off-season from Brazilian production. Potential is very high for pears.
Dried fruit and nuts	Import licenses	1.6	Same as as above	$5 million

Trade Practices Impeding U.S. Exports to Brazil (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Price support; trade agreements with Argentina and Canada	308	Protect producers; save foreign exchange	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Livestock for breeding	5	3	Import licensing; taxes; lack of foreign exchange; strict specifications by breed	7
Hatching eggs; baby chicks	7	5	Avian influenza (ban during part of 1986, followed by testing of each shipment)	10
Meat and meat products	40	10	Price; lack of awareness; lack of market knowledge by U.S. exporters; standards and specifications; traditional ties to Europe	125
Dairy products	21	15	Price; standards and specifications	75
Seeds for planting	34	3	Self-sufficiency objectives and plant health regulations	15
Barley	25	0	Price, especially from subsidized suppliers	12
Dry beans, peas, lentils		1	Price	25

BULGARIA

U.S. agricultural exports to Bulgaria in 1985 totaled $51 million, of which corn was $23 million; oilseeds and products, $14 million.

Bulgaria trades through government agencies. Bulgaria exports tobacco, but does not otherwise export significant quantities of agricultural products outside Eastern Europe.

Bulgaria is not a member of the GATT.

Government Support for Exports

State trading is the principal support.

Trade Practices Impeding U.S. Exports to Bulgaria

State trading and limited foreign exchange are the principal impediments.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Corn	50	23	Underdeveloped livestock sector	15
Soybeans	5	5	Underdeveloped processing industry and livestock sector	10

BURKINA FASO (UPPER VOLTA)

U.S. agricultural exports to Burkina Faso in 1985 totaled $22 million, all food aid.

Burkina Faso's agricultural exports valued at about $100 million include live cattle, peanuts, and cotton.

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CAMEROON

U.S. agricultural exports to Cameroon in 1985 totaled $15 million, of which food aid was $5 million. Tobacco was $4 million; dairy products were $2.6 million; soybean oil, $2 million.

Government institutions in Cameroon have a marketing monopoly on and provide producer price guarantees for rice and export crops: coffee, cocoa, cotton, palm kernels and palm oil, peanuts, bananas, and tobacco. Exports of agricultural products, other than tropical products, are small; petroleum is the principal export. Import licenses are required, but are freely issued for most products.

Government Support for Exports

The Government directly exports major commodities.

Trade Practices Impeding U.S. Exports to Cameroon

State trading is the main barrier (for the products indicated above).

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	12	0	European Community subsidies	12
Malting barley	15	15	Same as above	15

CANADA

U.S. exports to Canada

U.S. export statistics and Canadian import statistics disagree widely. Canadian statistics, which are much higher, are believed to be more accurate. According to Canadian statistics, agricultural imports from the United States totaled $2,572 million in 1985: horticultural and tropical products, $1,494 million; dairy, livestock and poultry products, $415 million; grain and feed, $328 million; oilseeds and products, $264 million; and cotton, tobacco, and seeds, $71 million.

According to U.S. statistics, U.S. agricultural exports to Canada in 1985 totaled $1,622 million. Canada was the fourth largest market for U.S. agricultural exports after the European Community, Japan, and the Soviet Union. The principal products were the following:

Item	$ Million
Fresh vegetables	171
Fresh fruit, non-citrus	122
Soybean meal	93
Fresh citrus fruit	91
Vegetables, except fresh	81
Furs	81
Fruit juices	76
Nuts	63
Cotton	55
Feeds	45
Corn	44
Rice	41
Soybeans	35
Vegetable oils	35
Beef	34
Beverages	34
Poultry meat	33
Seeds	28
Cattle hides	25
Variety meats	22
Live plants	21

Canadian exports

Canada's agricultural exports in 1985 totaled $6,647 million, of which 29 percent went to the United States. The leading products (to all markets) were wheat, $2,767 million; rapeseed, $394 million; fresh or frozen pork, $347 million; barley, $234 million; hides, skins and furs, $200 million; live cattle, $194 million; fresh or frozen beef, $162 million; animal feeds, $161 million; dairy products, $160 million; flaxseed, $160 million; rapeseed oil, $156 million; vegetables, except potatoes, $120 million; live hogs, $118 million; tobacco, $69 million; fruits and nuts, $68 million; wheat flour, $62 million; potatoes, $47 million; and oilcake and meal, $30 million.

Grain policies

The Canadian Wheat Board (CWB) is the sole marketing agent in Canada of western wheat, oats, and barley entering inter-provincial or export trade. All of these grains produced in CWB-designated areas are pooled by the CWB and later resold to either the domestic or export market. A two-tiered pricing scheme provides higher prices for wheat for domestic consumption and thereby helps help subsidize lower prices received in export markets.

One important trade practice which is frequently a problem for U.S. exporters is the differential pricing employed by the Wheat Board in export sales. By virtue of the monopoly power over wheat exports entrusted to the Board by the Government, the Board is in a unique position to adopt lower than posted price levels on its sales to certain key markets when it wishes either to initiate new business or expand its market share. Even though such differentiated prices, relatively high for some markets and especially attractive for others, may not constitute a subsidy, they represent the use of Government authority to carry out a non- market pricing mechanism. This in turn results in loss of sales in certain markets for exporters of U.S. wheat.

The Canadian Wheat Board effectively limits the imports of wheat and wheat products by requiring import licenses. Licenses for feed barley and oats are controlled by the Ministry of External Affairs. Before granting an import license, the importer must show extensive evidence that efforts were made to obtain the product domestically. In the rare event that licenses are obtained, they are short lived, lasting for 45 days. This restriction especially affects high valued processed products of wheat, barley, and oats. A blanket license is available for wheat-based mixes (pancake, cake, cookies, and similar items) in retail packaging of one pound or less.

Other programs benefit the producers of western grains within the CWB area. The Western Grain Stabilization Act (WGSA) is a voluntary income insurance plan to which both producers and the federal government make contributions. When net cash income to producers is below the previous 5-year average, a payment approximately equal to the difference is triggered from the Stabilization Fund. Crop sales are covered up to a Maximum Eligible Receipt Level (MERL) of 60,000 Canadian dollars. Producers pay a levy into the Fund at the rate of one percent of sales (up to the $60,000 maximum), while the Government of Canada contributes three percent. If pay-outs are made when the Fund is in deficit, the Government of Canada lends money to the Fund. Repayment, with interest, is due when the Fund returns to a surplus position.

The Prairie Grains Advance Payments allows for cash advances to be made to grain producers within designated CWB areas in direct relationship to anticipated grain deliveries for the crop year. Because cash advances are interest free and farmers are able to obtain partial payment for grain when market opportunities are limited, the burden of borrowing money at commercial interest rates is minimized.

"Crow's Nest" subsidies

The Western Grain Transportation Act (WGTA), enacted in 1984 expanded availability of the "Crow's Nest" rail rate subsidies, previously extended to wheat, barley, and oats, to additional commodities and made the United States an eligible export destination. The new commodities include: rapeseed and rapeseed oil and meal, sunflower seed and oil, mustard and canary seed, corn, triticale, dehydrated alfalfa meal, peas, beans and their derivatives, and lentils. In 1985/86, the average transportation subsidy was 22.03 Canadian dollars per metric ton. The subsidy on alfalfa meal and products has significantly reduced U.S. exports of these products to the Pacific Rim (primarily Japan).

We also have witnessed a surge in the U.S. Pacific Northwest of mill feed and rapeseed oil and meal imports from Canada. (The surge in rapeseed shipments may reflect also the granting of GRAS--generally regarded as safe--status by the U.S. Food and Drug Administration and subsequent promotion as a cooking oil by at least one major U.S. food processor and distributor.)

Price stabilization programs

The Agricultural Stabilization Act (ASA) was enacted to provide for the stabilization of prices targeted to certain commodities and is administered by the Agricultural Stabilization Board. Nine commodities are "designated" in the Act: beef cattle, hogs, sheep and lambs, industrial milk and cream, corn, soybeans, and oats and barley outside the Canadian Wheat Board designated area. Other commodities may be "designated" on a discretionary basis by the Minister of Agriculture. Payments are made to producers when the average price (adjusted for cash costs) in a given year falls below ninety percent of the average price (adjusted for cash costs) in the preceding five years; the payments are 100 percent federally funded.

Provincial governments have similar stabilization schemes, especially for livestock products. Provincial schemes tend to "overlap" benefits provided under the federal stabilization program. In the past, provinces have provided deficiency payments when no payments were provided under the federal scheme.

Marketing boards and supply management

Canada has supply management schemes in effect for the dairy and poultry sectors. As part of the supply management schemes, these sectors also maintain five national marketing boards. While marketing boards do not directly subsidize producers, pricing formulas guarantee returns above production costs. Consumers subsidize producers through mandated higher retail price levels.

To maintain the integrity of the national supply management schemes, import quotas are used to control the flow of imports. For poultry, eggs, and cheese, import licenses are given to fulfill specified quota levels. The United States has enjoyed exports of poultry and eggs in excess of the quota levels because of production shortfalls in the Canadian industries.

Swine quarantine

Canada employs a 30-day quarantine on imported swine in order to prevent the introduction of pseudo-rabies. Canada is considered free of this disease. The current economic situation in hogs favors Canadian exports. While this situation continues, the United States would not increase exports to Canada.

Fruits and vegetables

Canada has a fast-track import surtax that acts as a safeguard system for horticultural products. The system provides for imposing an automatic surtax when prices are low for cherries, peaches, strawberries, and potatoes. As well, other horticultural products face the threat of a discretionary surtax. Since its introduction in 1979, the fast-track has been applied only to onions entering Western Canada in 1982/83. Canada appears to place greater reliance on anti-dumping legislation.

High seasonal tariffs on imported fresh fruits and vegetables are imposed when Canadian domestic production of fresh fruits and vegetables are in season. There is a prohibition against consignment sales of fruits and vegetables without a prearranged buyer.

Bulk imports of U.S. produce are not permitted without a waiver of packaging regulations under the Canadian Agricultural Products Standards Act. Requests for waivers may be denied if equivalent produce is available from Canadian suppliers. The Canadian Agricultural Products Standards Act (CAPS) affects the entry, in general, of U.S. horticultural products. The most affected fresh items are potatoes and apples. Imports of canned or processed fruits and vegetables are also subject to limiting can/package size and labeling requirements.

Wine and beer

Every Canadian province has controlled alcoholic beverage sales. Imports generally are sold only in provincial liquor control board outlet stores, while Canadian products enjoy greater access to distribution systems such as grocery stores. Along with limited access to the distribution system, U.S. wines face discriminatory mark-up and listing practices. Mark-up practices effectively make U.S. wines overpriced to the consumer. Listings are required before even being able to sell product.

Export credit guarantees

Exports of agricultural products are also assisted by government credit guarantees through the Export Development Corporation (EDC). The EDC offers a short-term (up to 360 days) commercial credit guarantee program for exports of non-CWB grains, oilseeds, legumes, forages, horticultural products dairy products, red meat, poultry, and eggs. The EDC determines country eligibility and limits of liability, and offers coverage for 95 percent of commercial and 100 percent of political risk. The EDC offers similar coverage under a medium-term (up to three years) program. However, this program is limited to exporters who sell directly to foreign governments and where it can be shown that such credit is needed to match competitors' offers.

Subsidies, dumping

The U.S. Department of Commerce is investigating allegations of subsidies by Canada involving softwood lumber and cut flowers, and is investigating allegations of dumping by Canadian exporters of cut flowers. The United States imposes countervailing duties on subsidized imports of live swine from Canada, and imposes anti-dumping duties on certain Canadian exports of potato granules, raspberries, and sugar and syrup.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Wheat	Two-price system by Canadian Wheat Board; stabilization payments (Western Grains Stabilization Act) and cash advances (Prairie Grains Advance Payments) to western growers; rail freight subsidies under Western Grain Transportation Act (WGTA)	2,764	2,400

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Barley	Stabilization payments; cash advances; rail subsidies	234	200
Corn	Contingency deficiency payments when price stabilization targets are not met (Agricultural Stabilization Act); similar provincial programs	49	25
Soybeans	Same as above	24	19
Oilseeds, meal and oil	Rail freight subsidies under WGTA	836	650
Alfalfa meal; other dried fodder	Rail subsidies	56	39
Cattle	Stabilization programs	196	190
Hogs	Stabilization programs	111	106
Milk	Stabilization programs	180	130
Potatoes	Stabilization programs	48	45
Apples	Stabilization programs	28	28

Note: Estimates of exports in the absence of support are very approximate.

Trade Practices Impeding U.S. Exports to Canada

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Corn	Countervailing duty	44	Alleged U.S. subsidies	Maintain U.S. exports
Poultry and eggs	Import quotas; licensing	60	Producer protection	Up 20
Wheat, barley	Canadian Wheat Board monopoly licenses imports only for shortages	3	Producer protection	Up 5
Fresh fruits and vegetables	High seasonal tariffs when Canadian products are marketed; consignment sales prohibited without prearranged buyer; fast track safeguard system; packaging and labeling limits	384	Producer protection	Up 34
Processed fruits and vegetables	Packaging and labeling limits (Canada Agric. Products Standards Act)		Producer protection; consumer protection	
Bottled wine	Provincial Liquor Control Board discrimination against imported wines	6	Producer protection	Up 6

Market Opportunities

Canada's proximity to the United States and its pursuit of a similar lifestyle has resulted in a society that is acutely aware of food product availability in the United States. U.S. television and print media are dominant in Canada. Virtually every new food or food trend introduced in the United States appears in Canada a short time later. Both Canadian and U.S. food industry entrepreneurs view Canada as an extension of the U.S. market.

On the other hand, under prevailing economic and trade conditions, there is limited market potential for expanded sales to Canada of bulk commodities. New market opportunities are primarily for high-value and processed foods.

Constraints to market development, aside from Canadian policies already identified, include subsidy practices by other exporters. Harmonization of regulations and standards for food, plant and animal health also would provide substantial overall trade benefits to both countries.

CHAD

U.S. agricultural exports to Chad in 1985 totaled $17 million, all food aid. The principal products were vegetable oils, $6 million; blended food products, $4 million; and nonfat dry milk, $3 million.

Chad has experienced major problems with drought, locusts and civil war. Cotton is the principal agricultural export, valued at less than $100 million.

CHILE

U.S. exports to Chile

U.S. agricultural exports to Chile in 1985 totaled $94 million, of which $24 million was food aid. The principal products were wheat, $68 million; dairy products, $15 million; animal fats and oils, $3 million; and vegetable oils, $1 million.

Chilean exports

In 1985 Chile's agricultural exports totaled $523 million —over half to the United States, including fresh grapes, $219 million; fresh apples, $77 million; various processed fruits and vegetables, $28 million; dry beans, $26 million; fresh peaches and nectarines, $21 million; fresh pears, $14 million; and wine, $11 million.

Chilean policies

Chile provides high price supports to wheat and oilseeds in order to expand production and reduce dependence upon imports. Production of dairy products is aided indirectly through minimum import prices as well as relatively high tariffs. However, the principal agricultural exports are fruits and vegetables, which receive no direct assistance.

The U.S. Department of Commerce is investigating allegations of subsidies to the cut flower industry and of dumping by Chilean exporters of fresh cut flowers.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
All exports valued up to $7.5 million per year	10% tax drawback		Minor impact on agricultural goods
Forest products	75% subsidy of planting, pruning trimming, and administrative costs	104	104 (Impact will increase in in 1995 when trees mature)

Trade Practices Impeding U.S. Exports to Chile

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Import price band	68	Stimulate production; save foreign exchange	Up 40
Vegetable oils	Preferential import duties for Latin American suppliers	1	Trade agreement (ALADI)	Up 6
Cotton	Same as above	0	Same	Up 4

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Beverage bases	2	1	Lack of foreign exchange; slow growth in income	1

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Breeding animals, embryos, semen	2	1	Same as above	1
Seeds and nursery products	3	1	Same as above	1
Meat and by-products (beef, pork, offals, animal fats)	10	2	Same as above	1
Corn, sorghum, barley	1	1	Same as above, plus competition from foreign and domestic suppliers; 25% duty	10
Rice	1	0	Same as above	1
Fresh fruit, off-season		0	Lack of foreign exchange	3

CHINA

U.S. exports to China U.S. agricultural exports to China in 1985 totaled $157 million, of which wheat was $105 million; cattle hides, $29 million; soybeans, $13 million; and cotton, $2 million.

China's exports China's agricultural and fishery exports in 1985 totaled about $5,778 million, including textile fiber (cotton), $1,157 million; cereals and preparations (especially corn), $1,083 million; fruits and vegetables, $848 million; oilseeds, $483 million; meat, $463 million; and tea and spices, $446 million.

China's policies

Since China's economy is centrally planned, government priorities largely determine levels of trade. While there has been some liberalization of commodity markets internally, foreign trade is still largely controlled by the government. The central government especially exerts control over staple commodities, including, among others, corn, rice, sugar, wheat, and cotton.

In general, China encourages the importation of raw products for further processing. Also encouraged are products that will increase the level of agricultural technology, such as breeding stock and improved seeds. Economic policy and agricultural policy are changing rapidly. China's interest in joining the General Agreement on Tariffs and Trade may also bring changes in its trade regime.

Imports are inhibited not only by state trading, but by lack of foreign exchange and, for high value goods in particular, high tariffs.

China is not a member of the GATT, but is applying for membership.

Government Support for Exports

While China does compete presently with the United States in exports of a few products, such as corn, cotton, and peanuts, and the government is closely involved in production and marketing, it is difficult to judge what the level of exports would be under a different economic system without central planning.

Trade Practices Impeding U.S. Exports to China

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	State trading	105	Protect producers; Save foreign exchange	Significant
Feed grains	State trading	0	Same as above	Significant over time
Cotton	State trading	2	Protect producers	Significant over time

Trade Practices Impeding U.S. Exports to China (Continued)

Commodity	Policy or Practice	1985 Value ($ Mill.)	Reason for Barrier	Benefit to U.S. if Removed
Oilseeds and products	State trading	13	Save foreign exchange	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Forest products	819	328	Foreign exchange limits; U.S. prices; U.S. specifications	175
Hides and skins	63	29	Foreign exchange limits; U.S. prices	20

COLOMBIA

U.S. exports to Colombia

U.S. agricultural exports to Colombia in 1985 totaled $218 million, including wheat, $86 million; soybeans, $29 million; tallow, $22 million; barley, $15 million; sorghum, $11 million; pulses, $9 million; hops, $7 million; and soybean oil, $7 million.

Colombian exports

Colombia's agricultural exports in 1985 were over $2 billion and accounted for over half of total exports. The principal products were coffee, $1,800 million; bananas, $170 million; flowers, $140 million; and cotton, $99 million.

Colombian policies

PROEXPO, an export promotion fund, undertakes market development activities, such as helping to finance the construction in 1985 of a special airport shipping terminal for flowers. Export assistance is also provided to a number of products through a rebate of indirect taxes. The rebate on flowers, for example, is 9 percent, except on exports to the United States (zero). For cotton the rebate is 14 percent, and a minimum export price, including the rebate, is guaranteed.

The U.S. Department of Commerce is investigating allegations of dumping by Colombian exporters of cut flowers and allegations of Colombian government subsidies to the cut flower industry.

Imports are tightly controlled by import licensing, both to conserve foreign exchange and to protect domestic production. INCOMEX, the Institute of Foreign Trade, draws up a semiannual estimates of import needs (in effect, quotas). Few products are prohibited, but most require a license from INCOMEX.

First priority for import licenses is given to IDEMA, an agricultural marketing agency, which imports on its own account to assure essential stock levels and has the authority to approve imports by private business. Imports of agricultural products by private business outside this channel in 1985 were less than 20 percent of total agricultural imports.

Imports of wine were removed from the prohibited list in October 1986. An import permit is still required.

Government Support for Exports

Present Government programs are not believed to have a significant impact upon international trade.

Trade Practices Impeding U.S. Exports to Colombia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Import quota; import duty (22.5%, c.i.f)	86	Balance of payments	Significant if price is competitive
Malting barley	Imports controlled by IDEMA; import duty	15	Balance of payments; producer protection	Significant if price is competitive
Grain sorghum	Imports by idema; imports sold at domestic support price level; import duty	11	Same as above	Same as above

Trade Practices Impeding U.S. Exports to Colombia (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Corn	Special import license; impport duty	Negligible	Same as above	Same as above
Soybeans	Import quota which varies with domestic supply of meal	29	Same as above	Same as above
Crude soybean oil	Import quota which varies with domestic supply of vegetable oil	7	Same as above	Same as above
Inedible tallow	Import licenses; Health regulations	22	Balance of payments Lack of awareness	Same as above if tallow is promoted
Apples	Import licenses; preferences for Chile	2	Balance of payments; trade agreement	At least regain $4 million level
Prunes	Import licenses	0.01	Balance of payments	Significant
Wine	Banned until 1986, except from Chile and Argentina; if imports were permitted, testing requirements would hold up import licenses 12-18 months	0	Balance of payments; trade agreement	Significant

Market Opportunities

No additional commodities are believed to represent significant new market opportunities.

COSTA RICA

U.S. exports to Costa Rica

United States agricultural exports to Costa Rica in 1985 totaled $44 million, of which $21 million was food aid. The principal products were wheat, $18 million (all food aid); soybean meal, $7 million; vegetable oils, $5 million; corn, $3 million; feed grain products and feeds, $2 million; prepared or preserved vegetables, $1 million; and seeds, $1 million.

Costa Rican exports

Costa Rica's agricultural exports in 1985 totaled about $633 million or two-thirds of total exports. The principal agricultural exports were coffee, $322 million; bananas, $184 million; and meat, $58 million.

Costa Rican support policies

Costa Rica announced a new agricultural policy in 1986. It will provide subsidized credit at 12-18 percent for producers of new products (including soybeans and peanuts, meat, eggs, fruit, vegetables, nuts, and flowers) and traditional products (coffee, bananas, sugar, and beef). For others production credit will remain at 21 percent. The National Production Council will buy all beans and white corn produced domestically. Support prices for these products and for rice will be set, in principle, to encourage self-sufficiency but avoid surpluses. If necessary quotas will be set for domestic and export sales, and support prices will be set based on an average of domestic and international prices. Inputs may also be subsidized.

Export policies

For nontraditional exports--those other than coffee, sugar, and cocoa--the Government of Costa Rica provides a "Certificado de Abono Tributario" (CAT): entitlement to a subsidy of 15 percent of the net value of the export. For destinations other than the United States, that percentage can be increased to 30 percent at the discretion of the National Investment Council. In addition, Costa Rica provides a number of other tax benefits and financing facilities for exports.

The U.S. Department of Commerce is investigating allegations of subsidies to the cut flower industry and dumping by Costa Rican exporters of cut flowers.

Costa Rica is not a member of the GATT.

Government Support for Exports

Tax and financing advantages apply mainly for non-traditional exports, as described above.

Trade Practices Impeding U.S. Exports to Costa Rica

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Vegetable oils	30% import duty	5	Protect new processing industry	Significant
Pork, slaughter hogs, poultry	Import permits	0	Protect producers	Significant
Grain	Approval of the National Production Council	23	Protect producers	Significant
Processed foods, fruits and high-value products generally	High import duties		Discourage "luxury" imports	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	18	18	Import duties	Significant
Soybeans	3	3	None	Significant
Fresh deciduous fruits	3	2.5	Import duties	Significant
Soup extracts	3.6	3.6	Import duties	Significant
Dairy products, eggs	4.1	3.5	Import duties	Significant
Condensed evaporated milk		1.6	Import duties	Significant

CYPRUS

U.S. agricultural exports to Cyprus in 1985 totaled $21 million, including corn, $7 million; wheat, $5 million; and sorghum, $4 million.

Cyprus exports potatoes, citrus fruit, grapes and wine, among other products. Government assistance is concentrated in irrigation programs. There are wholesale and retail price controls for a number of basic food products. Import permits are required for some products.

Government Support for Exports

There is no support significantly affecting U.S. agricultural exports.

Trade Practices Impeding U.S. Exports to Cyprus

There are few policy barriers which, if removed, would bring a significant increase in U.S. exports to Cyprus.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Barley	36	None	Price; competitors' subsidies	36

CZECHOSLOVAKIA

U.S. agricultural exports to Czechoslovakia in 1985 totaled $19 million, of which cattle hides were $14 million; soybeans, $3 million; and tobacco, $2 million.

Trade with Czechoslovakia is through government agencies in that country. Purchasing decisions are centrally planned.

Government Support to Exports

The Government controls all aspects of production and marketing.

Trade Practices Impeding U.S. Exports to Czechoslovakia

State trading is the principal impediment.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Livestock breeding material	NA	0.23	Lack of hard currency	5.0

NA = Not available.

DENMARK (SEE EUROPEAN COMMUNITY)

DOMINICAN REPUBLIC

U.S. exports to the Dominican Republic

United States agricultural exports to the Dominican Republic in 1985 totaled $174 million, of which $30 million was food aid. The principal products were vegetable oils, $32 million; wheat, $32 million; tobacco, $25 million; corn, $22 million; inedible tallow, $9 million; soybean meal, $8 million; soybeans, $7 million; and rice, $7 million.

Dominican exports

Agricultural products account for more than three-fourths of the Dominican Republic's exports; sugar alone accounts for more than one-fourth. Agricultural exports totaled about $570 million in 1985, including sugar, $206 million; coffee, $110 million; cocoa, $90 million; fruits and vegetables, $80 million; and tobacco, $28 million.

Dominican policies

The Dominican Republic provides price support to producers of rice, beans, corn, sorghum, onions, and potatoes. Certain wholesale and retail food prices, however, are also controlled at subsidized levels, including rice, flour, soybean oil, and milk. INESPRE, a state agency, controls all domestic marketing of sugar and rice and most milk. Many imports are subject to quotas; some are occasionally banned, such as sorghum, rice, beef, cheese, and wine.

In general, the Dominican Republic keeps certain food prices low for the urban population, provides high subsidies to some producers (notably rice and wheat), and taxes exports of traditional crops (sugar, coffee, cocoa, and tobacco).

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Tobacco	Subsidized seeds, extension service, pest control	28	20
Certain fruits and vegetables	Tax exemptions (40-100% off import duties on machinery, fuels and packing materials; 100% off if production is integrated with processing and marketing); preferential exchange rates	20	15
(Tomatoes)		(5)	
(Pineapple)		(2)	
(Melons)		(5)	
(Citrus)		(1)	
(Peas)		(5)	
(Okra)		(3)	

Trade Practices Impeding U.S. Exports to the Dominican Republic

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Apples	Seasonal prohibition	0.16	Save foreign exchange	Significant with market promotion
Grapes	Same as above	0.10	Same	Same
Fruit juice	Import ban		Same	Same
Edible tallow	Restrictive import licensing	0.30	Save foreign exchange	Same as above

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat		32	Milling capacity; lack of foreign exchange	8
Feed grains		22	Import duty; lack of foreign exchange; ban on sorghum	Significant
Soybean meal		8	Same as above	Significant
Vegetable oil		32	Same as above	Significant
Tobacco		25	Price	Significant
Soybeans		7	Low crushing capacity of only 35,000 tons/year	15
Inedible tallow		9	Price; import licensing	Significant
Poultry meat, table eggs			Licensing; competition from subsidized (EC) suppliers	Moderate to supplement local shortages

ECUADOR

U.S. exports to Ecuador

U.S. agricultural exports to Ecuador in 1985 totaled $101 million, of which $2 million was food aid. The principal products were wheat, $49 million; soybean oil, $27 million; cotton, $8 million; and sorghum, $2 million.

Ecuadoran exports

Petroleum accounts for over 60 percent of Ecuador's exports. Agricultural exports in 1985 (export permits issued) totaled $631 million, mainly cocoa, $210 million; coffee, $198 million; and bananas, $190 million.

The U.S. Department of Commerce is investigating allegations of subsidies to the cut flower industry and of dumping by exporters of cut flowers.

Ecuadoran policies

In 1986 Ecuador announced its intention to end its system of administered prices which has supported some 20 agricultural products. A price stabilization program--government purchasing as needed--will be maintained for corn, rice, soybeans, and sorghum. A variable levy will apply to imports of these products to assure that they will be sold only at prices above the stabilization level. Trade, both imports and exports, is controlled by licensing. Exports may be encouraged by tax concessions.

Imports of feed grains are allowed only to supplement domestic production. Soybean oil was the only oilseed product imported in 1985; imports were banned in 1986. Opportunities exist to expand the market for tallow, livestock for breeding, seed, and, if import restrictions could be removed, high-value products.

Ecuador is not a member of the GATT.

Government Support for Exports

There are no significant Government incentives at this time.

Trade Practices Impeding U.S. Exports to Ecuador

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Soybean oil	Imports prohibited currently	27	Protect producers of palm oil and soybeans; Save foreign exchange	Regain previous market of $30-40 million
Feed grains	Imports prohibited currently	2	Protect producers of corn; Save foreign exchange	$8-9 million potential market
Fresh fruit (apples, grapes)	Imports prohibited	None	Protect producers	Probably over $5 million

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wood products	0	0	Imports prohibited	20
Durum wheat	1	1	Restrictive import licensing; lack of product awareness	9
Oats	4	0	Lack of product awareness; lack of processing capacity (to come on line in 1987)	6
Livestock products	7	6	Lack of domestic credit; restrictive import licensing	7

EGYPT

U.S. exports to Egypt

U.S. agricultural exports to Egypt in 1985 totaled $891 million, of which $306 million was food aid. Egypt was the eighth largest market for U.S. agricultural exports. The principal products were wheat, $207 million; corn, $176 million; inedible tallow, $97 million; tobacco, $76 million; dairy products, $53 million; cotton $52 million; cottonseed oil, $36 million; variety meats, $25 million; soybean meal, $19 million; and poultry meat, $7 million.

Egyptian exports

Petroleum accounts for over half of Egypt's exports. Long staple cotton and oranges are important export crops. There are no export incentives. However, government trading firms have a monopoly for exports of 19 agricultural commodities, including cotton, rice, oranges, and onions.

Import policies

Acute shortage of foreign exchange has contributed to a restrictive import regime. Egypt imports over half of its food needs, but in the early part of 1985 curtailed imports of nonessentials, stopping imports of frozen beef and poultry, and even delaying imports of some essentials, such as tallow.

The General Authority for Supply of Commodities (GASC) of the Ministry of Supply accounts for about two-thirds of Egypt's agricultural imports. Imports of wheat and flour, tallow, tobacco, lentils, and cotton are reserved exclusively to the Government. Imports of corn are now handled by the Ministry of Agriculture. Private traders are important for imports of beef liver, whole turkeys, poultry parts, and soybeans and soybean products. Government imports are by tender. Private imports, when permitted, are subject to import licenses.

While the Egyptian Government seeks to increase food production, some policies interfere with this objective--reserving 20 percent of available land to cotton production, consumer price controls, and subsidies.

EL SALVADOR

U.S. agricultural exports to El Salvador in 1985 totaled $94 million, of which $52 million was food aid. The principal products were wheat, $22 million; inedible tallow, $15 million; cottonseed oil, $14 million; soybean meal, $14 million; dairy products, $5 million; feeds, $4 million; and corn, $4 million.

El Salvador's total exports in 1985 were about $750 million, of which coffee was $453 million; cotton, $38 million; and sugar, $35 million.

All imports are subject to licensing by the Central Bank. As part of an effort to stabilize the economy and encourage production, the Government has banned luxury imports and is controlling prices of beans, rice, corn, milk, and meat, among other products. Producer prices for corn, beans, and rice are supported at levels above prices set for consumers. Prices for these products are set by IRA, an agency of the Ministry of Agriculture, which also controls foreign trade (imports are allowed only to offset shortages). Cotton is marketed by a private cooperative. Production has been declining, due in part to the civil unrest and in part to competition from other crops (e.g., soybeans). Cotton production is supported indirectly through production credits.

El Salvador is not a member of the GATT.

ETHIOPIA

U.S. agricultural exports to Ethiopia in 1985 totaled $163 million, of which $129 million was food aid. The principal products were bulgur wheat, $55 million; dairy products, $41 million; blended cereal food products, $12 million; wheat flour, $11 million; and wheat, $8 million.

Ethiopia has a communist government, which controls trade. The Government has tried to introduce state farms. The Agricultural Marketing Corporation (AMC) purchases 40-60 percent of that part of cereal production which is marketed, but most cereal production is not marketed. The AMC also sets oilseed prices. Certain other prices for producers and consumers are set by the Council of Ministers. While policy objectives are to encourage production and subsidize food prices, funds have not been available to make these policies effective.

Coffee is the principal agricultural export.

Ethiopia is not a GATT member.

EUROPEAN COMMUNITY

U.S. exports to the EC

The European Community (EC), an economic union of Belgium, Denmark, France, Germany, Greece, Luxembourg, the Netherlands, Ireland, Italy, the United Kingdom, and beginning in 1986 Spain and Portugal, is the largest market for U.S. agricultural exports. U.S. agricultural exports to the 12-nation EC in 1985 totaled $6,478 million.

The United States exports a very wide range of commodities to the EC. The most important by value in 1985 were:

Item	$ Million
Soybeans	1,634
Tobacco	644
Feed grains	617
Corn gluten feed	444
Soybean meal	381
Cotton	315
Wheat	224
Hides, skins and furs	191
Almonds	186
Live horses	166
Peanuts	132
Seeds for planting	127
Inedible tallow	92
Variety meats	91
Rice	80
Oilseeds, not soybeans	62
Vegetable oils	58
Dry beans	49
Essential oils	49
Walnuts	47
Mohair	36
Horse meat	28
Prunes	28
Raisins	26
Fresh grapefruit	24
Canned corn	20

Most of the products on the above list are subject to no import restrictions other than duties. Oilseeds, oilseed meals, nongrain feed ingredients, cotton, and hides are admitted free of duty also. Variable levies, described below, apply to feed grains, wheat, and rice.

EC exports of agricultural products

In 1985, the EC, excluding Spain and Portugal (members beginning in 1986), exported over $25 billion dollars of agricultural products to third countries. The most important products exported were:

Item	$ Million
Milk and cream	1,964
Whiskey, gin, cognac and liqueurs	1,741
Wheat, including durum	1,691
Fruits, nuts, vegetables	1,684
Wine and sparkling wine	1,430
Pork and pork products	836
Cheese	775
White sugar	774
Barley	765
Beef and beef products	696
Nursery products	690
Wheat flour	560
Beer	510
Butter	509
Poultry	328
Soybean meal	298
Rapeseed oil	266
Malt and malt products	259
Biscuits	255
Soybean oil	254
Enzymes except yeast	249
Rice	188
Olive oil	108

EC support system

The EC has a comprehensive system of support and protection for its principal agricultural products, especially in the grain-livestock sector. Price supports, often set well above world market levels, are provided for grains (including rice), milk and dairy products, beef, sheep and goat meat, rapeseed and sunflowerseed, soybeans, field peas and beans, olive oil, sugar, and tobacco. Support prices are maintained by government buying of all quantities offered at the prices set. In the case of sheep and goat meat, the United Kingdom uses a slaughter subsidy instead. Limited support buying may also occur for pork and certain fruits and vegetables. For wine, guide prices are used to trigger government storage aid. High price levels are maintained with import protection, and through export subsidies as necessary to dispose of surpluses.

Additional subsidies to producers or processors are available for certain fruits, tomatoes, wine, hops, flax, rapeseed, sunflowerseed, cottonseed, soybeans, field peas and beans, fodder lupines, forage seed. In the case of tobacco, the EC pays subsidies to buyers of domestic leaf.

Production control

The EC has introduced a number of production disincentives, such as cow slaughter premiums, "co-responsibility" levies on producers, and sugar and dairy production quotas, but they have not reduced production in absolute terms. When most of these programs began, the EC was a major net importer of grains, beef, poultry, and sugar. The EC is now among the world's leading net grain exporters and the world's largest exporter of sugar, poultry, beef, and dairy products.

Import protection

Import protection for grains, beef, pork, poultry, eggs, dairy products, sugar, olive oil, and their products, is provided by variable import levies. While levies are calculated differently for these several products, they have in common the fact that they are set in specific amounts per 100 kilograms, or per ton, and changed frequently--daily in the case of grains--to provide a level of protection that will more than offset the difference between import prices and domestic prices. In some cases, the levy includes one or more elements to add protection for processing.

In the horticultural sector and for certain seeds, wholesale reference prices are set for the principal products. When imported products are found to be selling at less than the reference price, an offsetting "countervailing duty" may be imposed. In the case of wine, a minimum import price is used for the same purpose; for wine the extra charge is imposed often enough to function about the same as a variable levy. There is a minimum import price for raisins. Under a policy not used in recent years, vegetable oils may be subject to additional taxes if the EC finds that the price of the imported oil is out of line with the price of the same oilseed or meal in the exporting country.

Other products are protected mainly by tariffs.

EC Enlargement negotiations

Spain and Portugal, upon joining the EC in 1986, adopted the EC agricultural support and trade policies. Spanish and Portuguese GATT concessions were withdrawn, to be replaced by a new schedule of concessions covering all 12 nations of the EC. The most important changes are (1) the elimination of the 20-percent bound import duty on corn and sorghum in Spain and its replacement with variable levies, and (2) the imposition of temporary measures that could limit Portuguese imports of grains, oilseeds, and oilseed products.

The imposition of variable levies in Spain could result in the loss of $400 million in U.S. exports, unless equivalent, compensatory concessions can be negotiated. Negotiations now in progress should be completed by the end of 1986. The measures imposed in Portugal were matched by U.S. countermeasures that can be used to restrict EC exports to an equivalent degree.

When Greece acceded to the EC in 1981, Greece was to phase out regulations limiting the amount of soybean oil that could be produced from imported soybeans and sold domestically. This was not done until 1986, but should now permit a substantial increase in sales.

Export subsidies

Export subsidies are available for a wide range of commodities, including grains, beef, pork, poultry, eggs, dairy products, vegetable oils (rapeseed, sunflowerseed, olive), wine, selected fruits and vegetables and nuts, sugar, and tobacco. Export subsidies are usually fixed periodically (weekly, monthly, or as necessary) and may be differentiated by destination as well as product. Exporters apply for licenses prescribing subsidies valid for a specified period. Alternatively, member state intervention agencies may sell from stocks by issuing tenders.

The U.S. Department of Commerce is investigating allegations of subsidies by the Netherlands to the cut flower industry. The United States imposes countervailing duties on subsidized imports of sugar from the European Community.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Wheat, non-durum	High support price maintained by government support purchases, variable import levies, exports from government stocks, and export subsidies.	1,602	None
Wheat, durum	Same, plus regional aids	89	None

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Wheat flour	Same as wheat	560	None
Rice	Same	188	None
Corn	Same	90	None
Corn by-products	Production subsidies, Export subsidies	30	None
Barley	Same as wheat	851	None
Oats, flaked	Same	9	None
Malt and products	Same	259	None
Potato starch	Production subsidies	24	Small
Peas and field beans	Production aid	54	None
Rapeseed, Sunflower seed	Export subsidies; production subsidies	14	Small
Soybean oil	Crushing subsidies for soybeans	492	All from imported beans
Rapeseed oil and sunflower seed oil	Crushing subsidies for seeds	9	Small
Cotton	Subsidies for ginning and crushing, production subsidy on seed cotton	99	89
Seeds for planting	Production subsidy, especially forage seed	180	160

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Tobacco	Export subsidies, price support, premiums to buyers of domestic leaf	124	93
Milk and cream	Price support program (purchasing of dry milk, butter, and cheese), processing subsidies, export subsidies, social assistance, food aid	1,507	Greatly reduced
Butter	Price support, processing subsidies, export subsidies, storage subsidies, social assistance, food aid	509	Greatly reduced
Cheese	Price support, export subsidies	775	Greatly reduced
Beef	Price support, export subsidies, slaughter premiums, storage subsidies	671	None
Live cattle	Price support, export subsidies	167	None
Pork	Price support, storage subsidies, export subsidies	847	Reduced
Poultry	Market support through import levies, export subsidies	297	Reduced
Eggs	Same as poultry	115	Reduced
Oranges	Price support at distress prices, Export subsidy	68	None
Lemons	Same as oranges	61	Small

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Apples	Same as oranges	69	Reduced
Raisins	Processing subsidy, Minimum price to grape growers	9	Reduced
Canned tomatoes	Processing subsidy	225	Reduced
Canned peaches	Processing subsidy	12	Reduced
Canned mixed fruit	Processing subsidy	18	Reduced
Walnuts	Export subsidy (in shell)	6	5
Almonds	Export subsidy	5	3
Hops	Producer subsidy	68	Reduced
Nursery products	Guidance program	690	600
Wine	Storage subsidies, distillation aid, investment aid, export subsidy (except to U.S.)	1,442	1,000
Molasses	Export subsidy, production subsidy, storage subsidy, price support for sugar	7	None
Lemon oil	Processing subsidy Minimum producer price	16	13
Orange oil	Processing subsidy	31	25

Notes to Table:

1. Without the programs listed above, the EC would be an importer of many of the products cited. For dairy products, pork, poultry and eggs, the EC's competitiveness would depend upon the price of grains and other feeds. It is likely that the EC would remain an exporter. For horticultural products, EC subsidies have less of a market impact; they help overcome certain marketing or processing disadvantages, but it is likely that the EC would remain an exporter. For other products cited, trade impact estimates are very approximate.

2. The above list is not comprehensive. In particular it should be noted that the EC provides export subsidies on a wide range of processed products containing milk, sugar, wheat, or eggs; in principle, the subsidy relates to the quantity of these ingredients in the processed product. The United States considers such subsidies inconsistent with the GATT, and is attempting especially to resolve a dispute over EC subsidies on exports of pasta products to the United States.

Trade Practices Impeding U.S. Exports to the EC

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Variable levy	224	Producer protection	See note 4
Feed grains	Variable levy	617	Same	Same
Rice	Variable levy	80	Same	Same
Beef	Variable levy	4	Same	Same
Pork	Variable levy	8	Same	Same
Poultry	Variable levy	6	Same	Same
Eggs	Variable levy	4	Same	Same
Tobacco	Premiums for purchase of domestic leaf; high tariff	644	Same	Exports more easily maintained

Trade Practices Impeding U.S. Exports to the EC (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Oak logs and lumber	Tariff; plant health laws (oak wilt)	74	Plant health	12
Other hardwood logs and timber	Tariff; plant health laws	14		1
Softwood plywood	Tariff quota	50		100

Notes:

1. Except where variable levies apply, most imports are subject to customs duties. The principal U.S. products entering duty-free are oilseeds and meal, nongrain feed ingredients, cotton, and hides.

2. EC regulations governing meat packing, due to take effect January 1, 1987, and outlawing the use of hormones, due to take effect January 1, 1988, are potentially very difficult problems now under discussion with the EC. Either regulation could result in a ban of nearly all U.S. exports of red meats.

3. In 1986 disputes were settled with the EC in respect of its tariff preferences for citrus fruit and its production subsidies for canned fruit.

4. The effect of removal of the barriers cited is difficult to estimate. Since the EC was formerly a large net importer of wheat and feed grains, free access to that market would greatly expand U.S. exports of those products; at the same time, there would be some reduction in EC imports of grain substitutes (oilseeds and meals and nongrain feed ingredients). Removal of beef protection would permit a large expansion of beef imports, but the United States would probably not benefit as much as other suppliers. Removal of protection for pork, poultry, and eggs would not necessarily have a significant market impact if feed costs were lowered at the same time. Removal of protection and support for tobacco would result in an increase in EC imports, but other suppliers would benefit at least as much as the United States.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
(Belgium/Luxembourg)				
Wine	213	1	Lack of product awareness	10
Health foods		1	Lack of product awareness	4
Catfish		0	Lack of product awareness	5
(Denmark)				
Soybean meal	118	5	Argentine prices; quality	20-50
Canned vegetables	21	0	Tariff	10
Juices	28	1	Tariff	10
Canned fruits	13	0	Tariff; subsidy	5
Wine	89	1	Lack of product awareness and acceptance	5
Prunes	3	2	Lack of promotion; subsidy	2
(France)				
Beef offals	109	52	Tariff	5
Horse meat	77	28	Tariff; quota related to domestic production	3
Almonds	48	30	Tariff	3
Hardwood	25	20	Tariff	2

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
(Germany)				
Poultry meat	460	2	Animal health laws; EC policies	5
Dried vegetables	60	7	Tariff; lack of product awareness	5
Dried prunes	13	9	Same as above; subsidy	2
Citrus	550	10	Tariff; lack of product awareness	5
Raisins	60	9	Same as above	1
Tropical fruits and nuts	550	5	Same as above	2
Wine	750	1	Same as above	1
Breeding bulls	0	0	Animal health laws	5
Horses	5	1	Lack of awareness	5
Tallow	81	23	Lack of awareness of feed use	7
Flower seeds	9	2	Lack of awareness	5
Confectionery sunflowerseed	23	5	Same as above	5
Peanuts, in shell	13	6	Same as above	5
Peanut oil	19	0	Same as above	6
Beer	32	0	Quality standards	1
Plywood	158	9	Import quota; standards	11
Hardwood	80	41	Fumigation requirement	20

Market Opportunities (Continued)

Commodity	Import Value ($ Millions)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
(Greece)				
Dairy cows	23 1/	0	Animal health ban (blue tongue)	
(Ireland)				
Horses	113	64	Quarantine regulations; shipping difficulty	15
Frozen vegetables	30	0	Lack of product awareness; shipping difficulty	15
Canned vegetables	16	0	Same as above	8
Preserved fruits and nuts	12	0	Same as above	6
Oranges	12	0	Same as above; seasonal market; price	6
Orange juice	12	0	Lack of product awareness; shipping difficulty; seasonal market	9
Apples	20		Lack of product awareness; shipping difficulty	5
Hard wheat	12	1	Quality reliability	10
Vegetable oils	44	1	Price; EC subsidies	40
Processed foods	40	1	Food regulations; price	20
Tobacco	29	11	Price; EC subsidies	10

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	U.S.	Constraints to Trade	Potential New U.S Exports ($ Million)
Essential oils	20	7	Import duties; lack of product awareness	10
Wine	18	0	Consumer preference; lack of product awareness	5
Forest products	84	3	Lack of product awareness; price; import duties	55
(Italy)				
Horses	108	6	Animal health regulations	12
Beef and veal	1,288	0	Animal health regulations	130
Live cattle (breeding)	880	0	Animal health regulations	100
Pork (high quality)	729	0	Animal health regulations	75
Live hogs (breeding)	101	0	Animal health regulations	5
(Netherlands)				
Rice	63	2	Lack of product awareness; previous high U.S. price; EC policies	40
Peanuts	70	33	Tight supplies in U.S.; lack of awareness of product quality	5
Grapefruit	23	6	Lack of awareness of product quality, especially pink grapefruit	15

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Variety meats	21	10	Tariff; high domestic supply	5
High-quality beef		1	Lack of product awareness	3
Raisins	27	3	Lack of product awareness	2
Foliage plants	34	1	Lack of experience with large plants	10 (over 10 years)
Tempered sawn hardwood lumber	44	13	Unfamiliarity with U.S. product	Moderate
Softwood plywood	30	22	Limited experience with plywood in housing construction	Large
(Portugal)				
Corn gluten feed		4	Unfamiliarity of product; variations in quality	
Cotton		20	Price competition; high freight rates; complaints about quality	10
Hides and skins		6	Imports through third-country brokers; delays in transshipment	12
Tallow		5	Limited use in feed	10
Rice		8	EC policies	Retention of market
Citrus pulp		1	Unfamiliarity of product; competition from Brazil and Israel	5

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
(Spain)				
Soybean meal	179	19	Price	25
Forest products	318	31	Price; lack of awareness	75
Hides and skins	231	3	Price; lack of promotion	60
Furskins	37	11	Price	6
Tallow	32	21	Price; lack of product awareness	45
Tobacco	299	179	Price	50
Cotton and linters	159	46	Price	25
Corn gluten feed/meal	0	0	Price; lack of product awareness	
Peanuts	21	11	Price	14
Dairy cattle, embryos, semen	40	0	Health regulations for live cattle	9
Wool and mohair	62	2	Price; lack of promotion	9
Lentils	17	7	Price; lack of product awareness	4
Seeds	19	2	Price; certification restrictions	4
Meat, prepared or preserved	24	0	Price; import restrictions	4
Sausage casings	20	1	Price; special washing requirements	3

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Baby chicks	6	2	Price; avian influenza	2
Dried vegetables	3	1	Price; restrictive licensing; lack of product awareness	2
Dry beans	6	1	Price; lack of product awareness	2
Pistachios	12	0	Price; lack of product awareness	2
Chocolate and prep.	16	5	Price	2
Sauces, seasonings, condiments	4	0	Price	2
Prunes	3	2	Lack of product awareness	2
Raisins	1	0	Price	1
Walnuts	18	17	Price	2
(Canary Islands)				
Wheat	31	0	Price; quality; lack of market information	10
Frozen poultry	20	1	Subsidized competition	9
Corn	16	13	Price	5
(United Kingdom)				
Apples	197	4	Lack of awareness; price; standards and specifications	6
Health foods	36	15	Lack of awareness; U.S. labeling regulations; price	6

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Peanuts	73	45	Price in competition with other suppliers and other snack foods	30
Sawn lumber	1,168	40	Lack of awareness; price; standards and specifications	40
Plywood	246	24	Same as above	24
Wine	757	4	Lack of awareness; preference for European wines	5
Raisins	80	9	Lack of awareness; Competition from subsidized suppliers	10

Notes: Trade data are generally based on the statistics of the importing country. 1/Statistics for 1984.

FINLAND

U.S. exports to Finland

U.S. agricultural exports to Finland in 1985 totaled $63 million, including tobacco, $17 million; wheat, $11 million; fruit, $10 million; furs, $5 million; almonds, $2 million; cotton, $2 million; oilseeds, $2 million; and vegetables, $1 million.

Production and import policies

Finland aims at self-sufficiency in basic food products. Support prices are set for milk, pork, beef, mutton, eggs, rye, wheat, feed barley, and feed oats. These are made effective through state trading for wheat, barley, rye, oats, and their products. State trading also applies for wine and other alcoholic beverages.

Variable import levies are imposed on grains, dairy products, meat, poultry, and eggs.

On January 1, 1986, Finland instituted a tax on the protein content of all non-grain feed ingredients, including, for example, oilseed meals, fish meal, wheat germ, and dry milk. Most of these products are are imported. The applicable tax rate on milk was offset by a reduction in a tax already applied to milk in feeds. Feeds for fur animals are exempt. The purpose of the tax is to encourage use of domestic grains (barley and oats) in feeds.

Individual import licenses for live animals, beef, dairy products, eggs, certain flowers, most vegetables, wheat, rye, barley, oats, corn, related milled grain products and by-products, soybeans and other oilseeds, lard, tallow and other animal fats, most vegetable oils, many processed fruits and vegetables, feeds, oilcake, and other non-grain feed ingredients. For certain products import licenses are issued on a global basis (supplying country need not be specified: dry milk, salmon and certain other fish, fruit juices, tomato juice, certain fresh fruits (restrictions may be seasonal), starches, soybean oil, rapeseed oil, and linseed oil.

Finnish exports and export policies

These policies have produced surpluses requiring export subsidies and other measures. Agricultural exports in 1985 totaled about $710 million, including furs, $256 million; dairy products, $145 million; grains (mainly barley), $84 million; and meat, $70 million.

Export subsidies amounted to $525 million in 1985, primarily for dairy products and grain, but also for meat, eggs, processed foods, and other products. Grain subsidies include payments to starch manufacturers and fur breeders. Farmers pay about one-fifth of these disposal costs through excise taxes on inputs, export taxes, and over-quota production fees (milk).

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Barley	Direct cash export subsidy	40	20
Eggs in shell	Direct cash export subsidy	13	0

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Malt	Direct cash	8	4

Note: Other subsidized products are exported principally either to the United States, or under trade agreement to the Soviet Union.

Trade Practices Impeding U.S. Exports to Finland

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Import licensing	9	Protect growers	$18 million
Soybeans	Same as above	18	Protect domestic oilseed production	$10 million
Softwood products	Prohibition	0	Plant health (alleged nematode problem)	$10 million
Wine	Import licenses granted only by state monopoly; no advertising allowed.		Protect domestic industry	Moderate
Apples, pears	Seasonal ban	2	Protect growers	Moderate

Market Opportunities

No major additional commodities.

FRANCE (SEE EUROPEAN COMMUNITY)

GERMAN DEMOCRATIC REPUBLIC (EAST GERMANY)

U.S. agricultural exports to the German Democratic Republic (GDR) in 1985 totaled $65 million, including corn, $50 million; soybean meal, $8 million; cotton and cotton linters, $3 million; and sunflowerseed, $2 million.

The GDR exports about $30 million of grain, but is not a significant U.S. competitor. Trade is state controlled.

The GDR is not a member of the GATT.

GERMANY (SEE EUROPEAN COMMUNITY)

GHANA

U.S. agricultural exports to Ghana in 1985 totaled $30 million, of which $17 million was food aid. The principal products were wheat, $6 million; rice, $6 million; cotton, $6 million; soybean oil, $3 million; bulgur wheat, $3 million; dairy products, $2 million; and tobacco, $1 million.

Cocoa and cocoa products comprise three-fourths of Ghana's exports; the balance is largely non-agricultural.

Wheat and rice are imported solely by the Ghana National Trading Corporation. Special licenses are required for imports of corn, lard, vegetable oils, milk, and meat. Cotton trade is controlled by a corporation that is partly state-owned. Tobacco trade is conducted by a government monopoly. Imports generally are subject to licensing, customs duties, and an additional tax of 30 percent.

GREECE (SEE EUROPEAN COMMUNITY)

GUATEMALA

U.S. exports
Guatemala

U.S. agricultural exports to Guatemala in 1985 to totaled $81 million, of which $23 million was food aid. The principal products were wheat, $25 million; vegetable oils, $14 million; inedible tallow, $11 million; soybean meal, $8 million; flavoring syrups, $5 million; nonfat dry milk, $4 million; feed grains and products, $3 million; vegetables and preparations, $2 million; feeds, $1 million; seeds, $1 million; and baby chicks, $1 million.

Guatemalan exports

Guatemala's agricultural exports in 1985 totaled $782 million, including coffee, $411 million; bananas, $63 million; cotton, $60 million; cardamom, $59 million; sugar, $44 million; and beef, $21 million.

Production and trade policies

Producer prices and consumer prices are set by the National Agricultural Marketing Institute, a Government agency. Consumer prices on hundreds of products are regulated. Both exports and imports are tightly controlled by licensing by the Central Bank. Due to the limited availability of foreign exchange, only essential imports receive dollars at the official exchange rate from the Central Bank. All other foreign transactions require the Guatemalan importer to obtain U.S. dollars at the free rate in the legal and parallel markets.

There are no export incentives for agricultural commodities, but new processing industries may obtain tax benefits, particularly export-oriented enterprises.

Guatemala is not a member of the GATT.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Guatemala

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Price support; purchase guaranteed regardless of protein content; import license—domestic product must be bought before imports	25	Reduce imports	$8 million
Corn	Same as above	2	Reduce imports	$3 million
Rice	Same as above	0.03	Reduce imports	$3 million

Trade Practices Impeding U.S. Exports to Guatemala (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Other basic grains	Obligatory purchase of domestic production before import will be approved		Protect domestic production	
Soybeans	Subsidized producer loans; price support; guaranteed purchase by poultry industry	0	Stimulate production; save foreign exchange	$20 million
Vegetable oils	35% import tax; Import quota allocated by company	14	Protect cotton-seed production	Potential as cotton production declines
Dairy products	Tax exemption; subsidized feed; embargo on fluid milk unless sterilized; high duties.	4	Protect domestic production	$7 million in milk powder as long as fluid milk subject to price control
Apples, grapes	Import embargo	0.5	Protect domestic production	Regain market before embargo--over $1 million

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wood and paper products		0.1	High duty Lack of awareness	5

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Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Soybeans		2.0	Lack of processing facilities; support programs; lack of knowledge of soy products in human nutrition	20
Sunflower-seeds		0	Lack of processing facilities	Significant
Tallow		10.6	Lack of product awareness, in particular for feed use	5
Dairy products, especially sterilized milk		3.9	Lack of product awareness; competition from New Zealand and Ireland, and (for sterilized milk) from Mexico.	Significant
Apples		0	Embargo; seasonal interest has limited consumption	1

GUINEA

U.S. agricultural exports to Guinea in 1985 totaled $11 million, of which $6 million was food aid. The principal products were rice, $8 million; and dairy products, $1 million.

Guinea's agricultural exports total less than $30 million a year. The most important are coffee and palm kernels.

Guinea is not a member of the CATT.

HAITI

U.S. agricultural exports to Haiti in 1985 totaled $71 million, of which $23 million was food aid. The principal products were wheat, $23 million; soybean oil, $10 million; tallow, $7 million; dairy products, $5 million; bulgur wheat, $3 million; rice, $3 million; lard, $2 million; and feed grain products, $2 million.

Haiti's agricultural exports include coffee, mangoes, essential oils, and sisal.

The principal barrier to imports, and the reason for restrictions, is low income. The import regime is relatively liberal under the circumstances. There are no formal exchange controls. Import licenses are required from the Ministry of Commerce. Effective June 1986, import quotas were imposed for lard and edible oils, bread, corn, rice, wheat flour, manioc flour, corn flour, yogurt, roasted peanuts and cashews, sugar, honey, frozen fruits and vegetables, jelly and preserves, and cigarettes.

All soybeans are imported by Enaol, a Government corporation, the sole crushing plant in the country.

The Government of Haiti is seeking imports of live swine to restore the pig population.

HONDURAS

U.S. exports to Honduras

U.S. agricultural exports to Honduras in 1985 totaled $47 million, of which $16 million was food aid. The principal products were wheat, $15 million; flavoring syrups, $7 million; soybean meal, $4 million; vegetable oils, $3 million; inedible tallow, $3 million; dairy products, $2 million; and tobacco, $2 million.

Honduran exports

Honduras' main agricultural exports in 1984 were bananas, $263 million; coffee, $138 million; meat, $29 million; sugar, $29 million; and tobacco, $12 million.

Production policies

Because of low sugar prices, the Government is trying to shift land from sugar into cotton production, which has been declining in recent years. The Honduran Agricultural Marketing Institute (IMHA), a semi-autonomous Government agency, sets support prices for corn, sorghum, rice, and beans, but has intervened in the market mainly for rice and beans. There is no wheat production. Cotton production is managed by a private cooperative, but the Government has provided funds to expand planting.

Trade policies

The Central Bank maintains strict control of imports and exports through licensing to conserve foreign exchange. Non-essential imports are discouraged. Retail price controls apply to a few products, including eggs, butter, and nonfat dry milk.

Honduras is not a member of the GATT.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Corn, rice, sorghum	Price support; preferential credit	3	0

Trade Practices Impeding U.S. Exports to Honduras

Few with significant impact on U.S. exports.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat		15	None	Significant
Soybean meal		4	Competition with small domestic production	Significant
Corn, rice, sorghum		1	Lack of port handling facilities	1
Wood products		0	Lack of knowledge of U.S. product; competition with domestic production	2

HONG KONG

U.S. agricultural exports to Hong Kong in 1985 totaled $389 million, including fresh citrus fruit, $71 million; other fresh fruit, $43 million; poultry meat, $42 million; vegetables, $32 million; tobacco, $31 million; cotton, $18 million; wheat, $15 million; vegetable oils, $13 million; flavoring syrups, $10 million; feeds, $8 million; furs, $5 million; fresh beef, $5 million; beverages, $4 million; and cattle hides, $3 million.

Hong Kong has a free trade policy and imports virtually all of its requirements, generally with no restrictions, although imports of rice are limited to registered importers who must have a prior permit from the Department of Trade. Raw tobacco and manufactured tobacco products, alcoholic beverages, and soft drinks are subject to import taxes.

The present range of U.S. agricultural exports to Hong Kong indicates the best prospects for further market expansion. Hong Kong is particularly open to exports of high-value products.

Hong Kong exported processed agricultural products worth about $315 million in 1985. Re-exports of agricultural products were about $1.5 billion.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Hong Kong

None.

Market Opportunities

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Corn oil	8.8	6.1	Lack of product awareness; competition with Canadian and Chinese rapeseed oil and South African corn oil	5

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Poultry meat	52.6	37.7	Lack of product awareness; competition with EC and Brazil	7
Ginseng	127.7	40.5	Lack of awareness of U. S. product	5

Note: Trade values are Hong Kong imports, c.i.f. Estimates of potential trade assume 5 years to gain the additional trade.

HUNGARY

U.S. agricultural exports to Hungary in 1985 totaled $35 million, including soybean meal, $19 million; seeds, $10 million; hides, $3 million; and tobacco, $2 million.

Hungarian Government planning stresses investment and subsidies to production of corn, cattle, hogs, and poultry. Agricultural programs have comprised 20 percent or more of the national budget.

Foreign trade is conducted by state organizations.

Government Support to Exports

See above.

Trade Practices Impeding U.S. Exports to Hungary

State trading and limited hard currency resources are the primary limiting factors.

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Market Opportunities

Commodity	Import Value ($ Million) Total	U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Livestock breeding material		0.2	Lack of hard currency	5.0

INDIA

U.S. exports to India

U.S. agricultural exports to India in 1985 totaled $99 million, most of which was food aid. About half of the food aid was bulgur wheat and blended cereal food products. The only significant commercial exports in 1985 were almonds ($7 million) and dry peas ($6 million). Soybean oil and wheat have been significant commercial U.S. exports to India in other years.

Policy objectives

India's policy objective is to meet domestic food consumption requirements by increasing production and eliminating imports to the maximum extent possible. Exports of processed agricultural products is a long-term objective.

Only basic essential agricultural products are imported and only to offset domestic shortfalls. Emphasis is placed on raw product imports in order to conserve exchange and stimulate employment. Virtually all such imports considered essential are imported solely by the Government. Involvement of the private sector in imports is minimal and subject to cancellation on short notice; more latitude is allowed for exports.

Support programs

The Commission on Agricultural Costs and Prices sets support prices for most major farm commodities (all food grains, most pulses and oilseeds, cotton, jute, and sugarcane). Wheat and rice are currently the major commodities purchased in price support operations (along with sugarcane and cotton). When these commodities are again sold to consumers, the Government charges about the same price as was paid to producers, but does not fully cover costs of storage, handling, and transportation. There are also subsidies for fertilizers and for internal transportation. Last year, however, to reduce Government outlays, prices for petroleum products, fertilizers, and grains were increased.

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Import policies

There is virtually no opportunity for export to India of high-value and value-added agricultural products. India follows a restrictive import policy for most agricultural products in order to conserve foreign exchange and to protect the interest of domestic producers. Imports of most major items, such as grains and vegetable oils (and cotton, although India is self-sufficient in cotton) are channeled through Government agencies. Imports of tallow and other animal fats and oils are banned.

Import licenses may be issued on a limited basis for certain products, such as hops, poultry breeding stock, condensed milk, milk powder, saffron, and unmanufactured tobacco. Tobacco imports are limited to an amount corresponding to 6 percent of cigarette exports. Imports of pulses, cinnamon, cassia, cloves, and dates are allowed under Open General License--imports by private traders are allowed. For the three years ending March 31, 1988, import license entitlements for dried fruit and nuts (including almonds, but excluding dates and cashews) will be limited to 25 percent of the value of an importer's best year's performance since 1972/73.

The United States has made repeated efforts to open the Indian market for dried fruits and nuts, in particular almonds. Import licenses limit trade as indicated above. In addition, the import duty is said by U. S. exporters to be the highest in the world on almonds: over 100 percent for almonds in shell and over 200 percent for shelled almonds. Elimination of these barriers could increase U.S. sales to over $30 million a year, according to industry.

The State Trading Corporation of India, which imports vegetable oil, has recently engaged in counter-trade deals in which at least 50 percent of the value of the imported oil is offset by purchases of Indian exports of tea, coffee, spices, oilseed meals, etc.

India's exports

In 1983/84 India's exports of agricultural products totaled approximately $2,100 million, or over 20 percent of total exports of all goods. The leading items were tea, $489 million; coffee, $178 million; tobacco, $165 million; jute and jute products, $160 million; cashews, $152 million; fruits and vegetables, $151 million; cotton, $145 million; rice (primarily basmati rice), $143 million; and oilcake, $142 million.

Export policies

Exports of most farm commodities are closely regulated by a combination of quotas, duties, state trading, and minimum export prices in order to assure adequate supplies and stable prices in the domestic market. With limited exceptions, exports of wheat, beef, most oilseeds and vegetable oils, policies milk, butter, and pulses, among

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other products, are banned. However, India exported 460,000 tons of wheat in 1985/86, and is expected to export 500,000 tons in 1986/87.

Export subsidies and incentives--mainly for value-added products--are provided in the form of cash, duty drawbacks, and import replenishment licenses.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Oilseed meals	Cash subsidy	135	120

Trade Practices Impeding U.S. Exports to India

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Soybean oil	Imports only through Government agency	18	Protect farmers and consumers	120
Soybeans	Imports banned	0	Protect farmers	150
Almonds	Restrictive licensing	4	Save foreign exchange	5
Grand-parent poultry stock	Restrictive licensing	0.02	Save foreign exchange	2
Tallow	Imports banned	0	Religious reasons	5
Fruit juices	Imports banned	0	Save foreign exchange	5
Wine	Banned, except for hotels (200% import duty)	0	Save foreign exchange	5

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Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Pulses	150	7	Price	10

Note: See also Table II.

INDONESIA

U.S. exports to Indonesia

U.S. agricultural exports to Indonesia in 1985 totaled $170 million, of which $40 million was food aid. The principal products were cotton, $68 million; wheat, $59 million; soybeans, $11 million; feeds, $8 million; tobacco, $5 million; dairy products, $3 million; and beef, $2 million.

Indonesia's policy objectives

Indonesia's agricultural policy objectives are to achieve self-sufficiency in food production and to expand production of export crops (rubber, coffee, palm oil, tea, and spices). Self-sufficiency has been achieved for rice, and emphasis is now shifted to secondary crops, especially soybeans. Rice support prices were not increased in 1986 --for the first time in over a decade--partly in an effort to avoid surpluses. Support levels for other crops (corn, sorghum, and mung beans) were also frozen. Corn and soybean supports are also above world market levels. Indonesia hoped to be self-sufficient in soybeans after 1986.

Assistance to farmers is provided through a package of services and inputs--improved seeds, extension services, fertilizers, pesticides, and credit. Budget cuts have trimmed programs for 1986/87 by nearly one fourth. The fertilizer subsidy is slated to be phased out some time in the future.

Indonesian exports

Over two-thirds of Indonesia's export earnings come from petroleum and natural gas. Indonesia's agricultural exports totaled $1,297 million in 1984, of which coffee was $565 million; tea, $226 million; vegetable oils (palm, coconut, and rice bran), $111 million; feed ingredients (copra cake, palm kernel meal, and milling by-products), $64 million; vegetable stearine and fatty acids, $62 million; cocoa, $53 million; hides and skins, $31 million; essential oils, $29 million; sugar, $27 million; tobacco, $23 million; and corn, $22 million.

Export policy

When Indonesia signed the GATT Subsidies Code in 1985, Indonesia agreed to replace an export drawback system with a new system more consistent with the GATT and to phase out subsidized export credit financing. Neither of these measures were significant for agricultural exports.

In 1985 Indonesia eliminated certain export taxes on palm products.

Import policies

Price has been the major determinant of the U.S. position in the Indonesian market for commodities such as wheat, soybeans, soybean meal, and cotton. Government policies are important limiting factors with respect to the market for all outside suppliers. For most imports there is a charge of up to 10 percent imposed on top of import duties.

State trading applies to imports of live poultry, soybeans, wheat, rice, copra and coconut oils, and sugar. Cotton may be imported only by six Government-owned companies. Imports are restricted by licenses for all fruit, prepared or preserved meat and poultry, confectionery, cocoa products, cereal preparations, coffee, and alcoholic beverages. Many importers are state-owned and have a monopoly on imports of the products concerned.

It is expected that meat imports will soon have to meet Halal slaughter procedures.

Government Support for Exports

There is no direct assistance.

Trade Practices Impeding U.S. Exports to Indonesia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Fruits (including wine), nuts, and vegetables	Since 1982 imports have been restricted and allowed to two state-owned importers	3.9	Encourage domestic production and save foreign exchange	Regain 1982 export level of $18 million

Trade Practices Impeding U.S. Exports to Indonesia (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Frozen French fried potatoes	Survey agency over-values U.S. product in relation to Canadian	0.2	Eliminate customs fraud and entry delays	Increase to $0.5-1.0 million
Soybeans	BULOG, the National Food Agency, is sole importer	10.9	Protect producers and save foreign exchange	Increase to $20 million
Soybean meal	Same as above	0	Same as above	Increase to $75 million

Market Opportunities

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Wheat	236	147	Low growth in bread consumption	30

IRAQ

U.S. agricultural exports to Iraq in 1985 totaled $326 million, including rice, $149 million; wheat, $78 million; corn, $29 million; soybean meal, $17 million; tobacco, $14 million; barley, $12 million; sunflower oil, $5 million; and tallow, $4 million.

Petroleum accounts for almost all of Iraq's exports. Trade prospects at present are undermined by the war with Iran.

There are no export incentives. The major constraints to U.S. exports are the shortage of foreign exchange, bank guarantee and freight financing difficulties, and competition from other suppliers, in particular the EC, Canada, Australia, and New Zealand.

Iraq is not a member of the GATT.

IRELAND (SEE EUROPEAN COMMUNITY)

ISRAEL

U.S. exports to Israel

U.S. agricultural exports to Israel in 1985 totaled $227 million, including soybeans, $93 million; wheat, $62 million; sorghum, $51 million; corn, $32 million; cotton, $11 million; tobacco, $6 million; and dried fruits and nuts, $4 million.

Israeli exports

Israel's agricultural exports in 1984 totaled $920 million, including processed fruits and vegetables, $231 million (primarily citrus juices and processed tomatoes) fresh fruit (citrus, avocados, other), $198 million; cotton, $185 million; and flowers and live plants, $75 million.

Production subsidies

Subsidies to agricultural production in Israel have been sharply reduced in the last two years. Livestock products are the principal remaining beneficiaries. There are price controls on potatoes, onions, carrots, and citrus fruit.

Export policies

Citrus fruit is marketed by the Citrus Marketing Board, which in some years has received promotional funds from the Government. Other fresh products (except avocados, flowers, and poultry) are exported exclusively through AGREXCO, a 50 percent Government-owned agricultural export company. Avocados, flowers and poultry exports are managed by private organizations. Cotton and peanuts have production and marketing boards similar to the Citrus Marketing Board.

The United States imposes countervailing duties on subsidized roses imported from Israel. The U. S. Department of Commerce is investigating allegations of further subsidies to the cut flower industry and dumping by Israeli exporters of cut flowers.

Import policies

Fresh fruits and vegetables and practically all processed food imports are subject to discretionary import licensing.

The U.S.-Israel Free Trade Agreement came into force in 1985, but has had little impact to date on agricultural trade. Most products for which additional trade is expected to develop are on the list for which the elimination of duties will be delayed.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Cotton	Marketing Board (Subsidies in 1985/86 totaled $89 million)	185	Would not increase in long run

Trade Practices Impeding U.S. Exports to Israel

Fruits, vegetables and most processed foods are subject to licensing, as indicated above.

Market Opportunities

No new products appear to offer major opportunities.

ITALY (SEE EUROPEAN COMMUNITY)

JAMAICA

U.S. exports to Jamaica	U.S. agricultural exports to Jamaica in 1985 totaled $116 million, of which $32 million was food aid. The principal products were wheat, $22 million; corn, $17 million; rice, $15 million; poultry meat, $10 million; soybeans, $10 million; dairy products, $8 million; soybean oil, $6 million; tallow, $4 million; prepared or preserved vegetables, $3 million; tobacco, $2 million; and variety meats, $2 million.
Jamaican exports and export policy	Jamaica's main agricultural exports are sugar, bananas, citrus fruit, rum, and cocoa. They do not receive export assistance. Many products require a license to be exported.
Production assistance	Farmers are assisted by the purchase and resale at subsidized prices of seeds and other planting materials, payments for land preparation, certain other infra-structure aids, extension services, fertilizer subsidies, production credit, and certain tax relief.

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Import policies

The Jamaica Commodity Trading Company, a Government agency, is the sole importer of poultry meat, preserved milk, butter oil, wheat, corn, rice, flour, cornmeal, soybeans, vegetable oils, and lumber and wood products. Most products are subject to import licensing, including powdered milk and cream, butterfat, vegetables (fresh, frozen, provisionally preserved in brine, and dried), pulses, grapes, raisins, fresh apples and pears, fresh berries, peanuts, canned corn, frozen corn, peanut butter, and tomato ketchup and sauce.

In addition there are extra "stamp" duties on imports, ranging up to 95 percent of the value for certain poultry products, certain pork products, certain beef products, grains (except wheat) for feed manufacture, soybean meal and other meals, corn, milk powder, onions, potatoes and potato products, red kidney beans, peanuts, and fruits and vegetables of any kind (except raisins, currants, and prunes).

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Winter vegetables (cucumbers, melons, tomatoes, peppers)	Irrigation and infrastructure facilities for Caribbean Basin Initiative projects; long-term land lease at below market value	12	8

Note: Four Jamaican efforts to develop winter vegetables for export to the United States under the duty-free provisions of the U.S. Caribbean Economic Recovery Act failed financially.

Trade Practices Impeding U.S. Exports to Jamaica

Barriers are as indicated above. They exist primarily to conserve foreign exchange.

Market Opportunities

Commodity	Import Value ($ Million) Total	U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Wheat		22	Milling capacity; storage capacity; lack of foreign exchange	3
Corn		17	Lack of foreign exchange; lack of awareness of corn based foods	Increase
Rice		15	Lack of foreign exchange; competition from Guyana	Maintain U.S. share at 100%
Soybeans and products		17	Lack of foreign exchange; limited storage for meal and oil; competition from palm oil imports	More consistent level of trade
Lumber and products		14	Lack of foreign exchange; lack of knowledge of wood-based construction	7
Beef, veal, variety meats		3	Lack of foreign exchange; import duty up to 95% ad valorem	Increase, especially in high-quality beef with development of tourism

JAPAN

U.S. exports to Japan

U.S. agricultural exports to Japan in 1985 totaled $5,409 million. Japan has been for many years the largest single market for U.S. agricultural exports, and the largest market after the European Community. The most important products by value in 1985 were:

Item	$ Million
Corn	1,293
Soybeans	952
Wheat	469
Cotton	368
Beef	356
Tobacco	302
Cattle hides	276
Sorghum	241
Citrus fruit, fresh	203
Feeds	160
Vegetables	125
Variety meats	84
Poultry meat	60
Almonds	45
Seeds	39
Vegetable oils	37
Dried fruit	34
Pork	33
Fruit juices	31

Japanese exports

Japan's agricultural exports in 1985 totaled $711 million, including horticultural products, $334 million; vegetable oils, $39 million; cereal flours, $37 million; alcoholic beverages, $35 million; powdered milk for infants, $35 million; cereal preparations, $24 million; animal feeds, $22 million; hides and skins, $18 million.

Agricultural policy

Food security has been a major concern of Japanese agricultural policy. Self-sufficiency greater than 80 percent has been achieved for rice, vegetables, eggs, pork, and milk and dairy products. Practically all wheat, feedgrains, oilseeds and other feed ingredients must be imported. Japan has over 4 million farmers living on farms that average less than 2 hectares. Eighty-five percent of the income of farm households comes from non-agricultural sources, including Government subsidies. A stated objective of Japanese policy is to assure an income to farmers equal to that of other sectors.

Rice

Roughly 80 percent of agricultural production receives price support. Rice is the most important crop. Because support prices have produced surpluses, production controls have been instituted. The Food Agency controls the marketing and storage of about one-half of the rice crop. Only the government may import or export rice.

Other grains	In the case of wheat and barley, the Government is obliged to buy domestic production at stated prices, if offered. Most wheat and barley is imported. Imports are controlled by the Government, which marks up prices at least to the domestic resale level. Imports of other feed grains are permitted to specified importers within guidelines.
Milk	Milk producers are supported by guaranteed prices and deficiency payments and state trading in major products by the Livestock Industry Promotion Corporation (LIPC).
Meat	The LIPC intervenes in the beef market within set price ranges, and regulates trade through import quotas and trading on its own account. The LIPC also intervenes in the market for small quantities of pork. Domestic pork production is also protected by variable levies on imports.
Oilseeds	Deficiency payments are available for soybean and rapeseed production, but production is very limited. Imports are free of duties and restrictions.
Feeds	The Government has a stabilization fund for livestock producers when formula feed costs rise above specified levels.
Vegetables	Fourteen vegetables are supported by price stabilization funds which make up shortfalls when market prices fall below guaranteed levels. In the past the Government has agreed to buy potato starch from manufacturers who pay a minimum price for the potatoes; presently the same purpose is accomplished by providing a duty-free tariff quota for imports of corn on condition that the importers buy domestic starch.
Eggs	Egg producers benefit from a price stabilization fund to which they, as well as the Government, contribute. Production control is a condition to assistance.
Customs duties	Customs duties remain high on a number of products, especially meat, dairy products, high-value crops, and processed foods.
Import quotas	Import quotas apply to: --basic foods, generally also subject to state trading, such as rice, wheat, barley, beef, dairy products, oranges, and tangerines; --regional specialities, such as sugar products, pineapple products, fruit juices, tomato products, beans, and shelled peanuts (unshelled peanuts are banned for plant health reasons).

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Additives and standards

The Ministry of Health and Welfare's policy on approval of food additives is highly restrictive and limits the marketing of processed foods especially. In addition, the Ministry of Agriculture, Forestry and Fisheries maintains the Japanese agricultural standards system (JAS), by which a mark of Government endorsement can be placed on products. The JAS mark is often decisive in marketing, and foreign testing organizations have very limited rights to provide the mark.

Wood and paper

Japan is the largest foreign market for U. S. wood and paper products. U.S. exports in 1985 totaled one billion dollars. Three-fourths of these exports were unprocessed products, such as logs, wood chips, and paper pulp. Sales have been hampered by high tariffs and by regulatory approval procedures and standards. In 1985 Japan agreed to changes in both of these areas, to be implemented in the next two years, that could substantially increase U. S. exports, especially of plywood, veneer, particle board, and other products.

Government Support for Exports

There are very few agricultural commodities where Japan and the U.S. compete for world markets. The Japanese Government does not directly or indirectly support increased exports of these commodities.

Trade Practices Impeding U.S. Exports to Japan

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	State trading	Nil	Protect producers	Significant
Sunflower and safflower oil	Definition of refined oil increases import duty on refined and high-quality crude oil	9	Protect refiners	Significant
Peanuts	Tariff; quota	16	Protect producers	Significant

Trade Practices Impeding U.S. Exports to Japan (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Beef (fresh, chilled, frozen)	25% tariff; state trading; quota	351	Protect producers	Significant
Beef cattle	Lack of quarantine facilities; tariff quota; high tariff on fat cattle	2	Logistical reasons; protect producers	Significant
Meat, prepared/ preserved	Quota; tariff	15	Protect domestic industry	Significant
Fresh oranges	20% tariff (Jun-Nov); 40% tariff (Dec-May); quota	73	Protect citrus producers	Significant
Fresh grapefruit	12% tariff (Jun-Nov); 25% tariff (Dec-May)	52	Protect citrus producers	Significant
Frozen cling peaches	20% tariff		Protect domestic fruit producers	Significant
Fresh strawberries	10% tariff	9	Protect producers	Moderate
Orange juice	Quota	3	Protect domestic industry	Moderate
Noncitrus fruit juice	Quota	14	Protect domestic industry	Significant

Trade Practices Impeding U.S. Exports to Japan (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Walnuts	16% tariff;	2	Protect growers	Moderate
Pistachios	9% tariff on U.S. nuts; zero tariff on nuts from Iran	1	Generalized system of preferences	Moderate
Chocolate confectionery	20% tariff	12	Protect domestic industry	Significant
Bottled still grape wine	Tariff; taxes; certification and distribution barriers; labeling regulations; additive restrictions	3	Protect domestic industry	Significant
Wine coolers	Tariff; certification and distribution barriers; labeling regulations; additive regulations	3	Protect domestic industry	Moderate
Pet food	Tariff (15% bulk; 12% retail)	8	Protect domestic industry	Significant
Dry beans and peas	Quota	14	Protect producers	Moderate
Food preparations	Quotas; tariff	14	Protect domestic industry	Significant
Corn	Tariff and quota if not for feed	686	Protect potato producers	Significant

Trade Practices Impeding U.S. Exports to Japan
(Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Feed grains in general	Restrictions on feed compounding outside bonded mills	1548	Protect feed industry	300

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Oranges	89	88	Import quota; plant quarantine; import duty	40
Grapefruit	77	52	Import duty	40
Grapefruit juice	11	9	Lack of awareness; import duty	5
Walnuts	9	3	Same as above	6
Frozen potatoes	48	42	Lack of awareness	20
Wood panel products	100	7	Lack of awareness	70
Temperate hardwood lumber	36	22	Lack of awareness	8
Bull semen	5	2	Lack of awareness; special regulations	20
Beef	462	180	Import quota	400
Processed pork, except sausage	19	5	Variable levy or tariff (complex policy)	13

Market Opportunities
(Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Processed beef, except boiled beef	17	13	Import quota	12
Catfish and crayfish	0	0	Lack of awareness	5
Wine	32	4	Tariff; excise tax; licensing; lack of awareness	11
Beer	10	5	Lack of awareness	10
Chocolate	20	11	Tariff	20

Notes: Trade data are based on Japanese statistics.
Grapefruit shipments averaged $96 million from 1981-1984.

JORDAN

U.S. agricultural exports to Jordan in 1985 totaled $48 million, of which $2 million was food aid. The principal products were wheat, $25 million; corn, $8 million; and soybean meal, $4 million.

Jordan has invested heavily in irrigation since agricultural resources are very limited. Much irrigated land is state-owned and is leased to private producers. The Government sets a floor price for many agricultural products, including wheat, barley, tomatoes, and others and retail prices for imported meats. Subsidies are provided to wheat production. Jordan is a net exporter of fruits and vegetables, but depends on imports for over 50 percent of its food needs.

Jordan's leading agricultural exports in 1984 were tomatoes, $16 million; bananas, $10 million; cucumbers, $8 million; and eggplants, $4 million.

Jordan is not a member of the GATT.

KENYA

U.S. exports to Kenya

U.S. agricultural exports to Kenya in 1985 totaled $41 million, of which $28 million was food aid. The principal products were corn, $24 million; wheat, $10 million; and bulgur wheat, $2 million.

Kenyan exports

Kenya's leading agricultural exports are coffee and tea. Smaller, non-traditional exports are tropical products, such as canned pineapple and pineapple juice.

Export policy

There is an export "compensation" scheme for these non-traditional exports. Under the Export Compensation Act, the Government provides a subsidy on exports of processed agricultural exports. Since June 1984, the rate has been 15 percent of the f.o.b. value, plus an additional 10 percent for any increase in exports over the previous year. New exporters receive the full 25 percent for the first year.

The U.S. Department of Commerce is investigating allegations of subsidies to the cut flower industry and of dumping by exporters of cut flowers.

Production and marketing

The Government is heavily involved in marketing. Producer and consumer prices are set for a wide range of agricultural products, including corn, wheat, sugar, cotton, milk, vegetable oils, meat, and products made from these commodities. Marketing of major crops is done through marketing boards, but their controls and functions vary considerably.

State agencies control exports and imports of meat, other than poultry; exports of dairy products; exports and imports of pulses; exports of coffee and tea; exports and imports of corn; and imports of wheat, rice, sorghum, oilseeds, and sugar.

Import policies

All non-governmental imports face very high duties and sales taxes. In the case of wine, duties and taxes amount to more than 200 percent of the c.i.f. value of imports. Imports by government agencies are exempt from duties. Preferential duty rates apply for imports from other African countries.

All imports are restricted by licensing, primarily to ration foreign exchange.

There has been some trade liberalization since 1982--a reduction in import duties by 15 percent on average, and an increase in import license approvals.

Government Support for Exports

Subsidy, as described above, for processed agricultural products--notably pineapple products.

Trade Practices Impeding U.S. Exports to Kenya

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Licensing; import duty	10	Save foreign exchange	$2 million
Rice	Same as above	0.02	Same	$2 million
Seeds	Same as above	0.3	Same	$1 million
Wine	Same as above	Negligible	Same	Significant
Canned food	Same as above	1	Same	$3 million
Tallow	Same as above	0.4	Same	$1 million

Market Opportunities

See table above.

KOREA

U.S. exports to Korea

U.S. agricultural exports to Korea in 1985 totaled $1,413 million, including cotton, $361 million; wheat, $270 million; cattle hides, $267 million; corn, $210 million; soybeans, $185 million; inedible tallow, $34 million; furs, $4 million; and tobacco, $4 million.

Korean exports

Korea's agricultural exports are minimal. They totaled $31 million in 1985, including tobacco, $9 million; and canned mushrooms, $9 million.

Agricultural trade policies

Self-sufficiency is a basic agricultural policy goal; policy instruments used include price supports for rice and barley, and price stabilization activities for meats, bone-in beef, pork, chicken, red pepper, garlic, and onions; state trading for rice and tobacco; import licensing for most products; and a system of flexible tariffs.

Import licenses are issued after consultation with relevant Government agencies and sometimes with domestic producer organizations for imports considered necessary to supplement domestic production.

Import duties

The Korean tariff on imports of agricultural products is high. Examples are duties of 100 percent on wine; 60 percent on fruit cocktail; 50 percent on almonds, canned peaches, raisins, citrus fruit, and fruit juices; 40 percent on chocolate confectionery; and 20 percent on lumber and alfalfa feed. The general tariff rate may be superseded temporarily by lower rates within quotas or by higher rates set usually for six months at a time. An additional 10 percent tax on agricultural imports is scheduled to go into force in 1987.

Plant health regulations remain a problem for some products. An example is Korea's recent requirement that grapefruit and lemons be subject to a damaging cold treatment to prevent the introduction into Korea of the Mediterranean fruit fly.

Government Support for Exports

None in products competing with U.S. exports.

Trade Practices Impeding U.S. Exports to Korea

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Fruits and vegetables not listed on Table III	Restrictive import licensing--virtual ban except for imports through Korea tourist hotel supply center	11.8	Protect farmers; save foreign exchange	U.S. fruit exports could top $100 million if apples, oranges, canned fruit, juice, etc. were allowed
Frozen French fries	Same as above (150-ton limit set in 1986 cut U.S. exports 90%	0.5	Save foreign exchange	Growth beyond the 1985 level

Trade Practices Impeding U.S. Exports to Korea (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Lemons, grapefruit	Plant health regulations imposed in 1986 make U.S. fruit unmarketable	0.5	Fruit fly	$1-2 million
Beef	Currently banned	6.1	Protect farmers	$25 million high quality beef
Offals	Currently banned	0.1	Protect pork industry	$40 million in 5 years
Dairy products	Restrictive licensing (most products banned)	0.5	Protect dairy industry	Significant although Europe and Oceania would sell more
Non-grain feed ingredients	Restrictive licensing (most products banned)	1.3	Encourage domestic production	$100 million in 2-3 years
Barley	Ban on imports for feed	0	Same as above	Significant
Wine	Import limited to hotel trade; 50-100 percent import duties, plus taxes	0.03	Protect wine industry	Significant (even with competition from Europe and Oceania)

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Hardwood lumber and veneer	45	10	Lack of product awareness; tariff favors roundwood	65
Finished leather	300	53	Lack of product awareness; 20% tariff	100
Grapefruit, lemons	1	1	Plant health laws; high duties; lack of product awareness	18
Raisins, prunes, almonds, cherries	5	3	50% tariff; lack of product awareness	17
Seeds	6	3	Quotas; standards	7
Furskins	134	16	Lack of product awareness and U.S. prices cause garment makers to seek other suppliers; luxury taxes prevent fur garment purchases	34
Feed grains	499	184	Lack of growth in meat, milk, and egg consumption	50

KUWAIT

U.S. agricultural exports to Kuwait in 1985 totaled $41 million, including vegetables, $7 million; corn, $5 million; barley, $4 million; soybeans, $4 million; vegetable oils, $3 million; rice, $3 million; fruit, $3 million; flavoring syrups, $3 million; beef, $2 million; and poultry meat, $2 million.

The desert conditions preclude significant agricultural production. Petroleum is the principal product and export. Kuwait's agricultural exports (mainly fish) totaled $30-40 million in 1985. Kuwait subsidizes production of poultry, eggs, milk, vegetables, and fruits,

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and subsidizes imports of rice, wheat, sugar, cattle, powdered milk, and vegetable oils. Most food is imported and is not subject to either duties or restrictions.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Kuwait

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	Government corporation buys basmati rice from India and Pakistan (other suppliers not invited to bid) and sells at subsidized price; other rice is not subsidized	0.2	Basmati preferred	Over $5 million
Wheat	Government-controlled flour mill contracts with Australia	0	Custom; price	Over $5 million if U.S. price competitive
Alcoholic beverages	Prohibition	0	Religion	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Poultry meat	97	2	Competitors' subsidies	Over 20

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Frozen beef	30	3	Competitors' subsidies	Over 10
Milk, cream, butter	55	0	Same as above	Over 10

LEBANON

U.S. agricultural exports to Lebanon in 1985 totaled $18 million, including soybean meal, $4 million; grains and cereal products, $4 million; inedible tallow, $2 million; vegetable oils, $2 million; almonds, $1 million; and vegetables, $1 million.

The economy of Lebanon has been disrupted by war for some years. In spite of the war, however, Lebanon has been able to continue its traditional exports of oranges, apples, and other fruits.

Lebanon is not a member of the GATT.

LIBERIA

U.S. agricultural exports to Liberia in 1985 totaled $27 million, of which $5 million was food aid. The principal products were rice, $20 million; and wheat, $2 million.

Liberia, in addition to minerals, exports rubber, lumber, coffee and cocoa, but no agricultural products that compete with U.S. exports. There are few domestic programs for agricultural products.

Imports are subject to customs duties, often high, and surcharges on non-essentials. There are few other direct controls. Import licenses are required for pork.

Liberia is not a member of the GATT.

LUXEMBOURG (SEE EUROPEAN COMMUNITY)

MADAGASCAR

U.S. agricultural exports to Madagascar in 1985 totaled $16 million, of which $12 million was food aid.

Madagascar's main exports are coffee, vanilla, and cloves.

Rice is the principal food crop. Marketing has been controlled by the Government; but since 1983, private firms have been allowed to buy rice from farmers and distribute it locally.

MALAYSIA

U.S. exports to Malaysia

U.S. agricultural exports to Malaysia in 1985 totaled $94 million, including tobacco, $32 million; cotton, $10 million; fresh oranges, $7 million; flavoring syrups, $7 million; fresh apples, $6 million; vegetables, $4 million; and fresh grapes, $2 million.

Malaysian exports

Malaysia's agricultural exports in 1984, including wood products and rubber, totaled $5,240 million--about one-third of all exports. The principal products were palm oil, $1,888 million; rubber, $1,560 million; timber, $350 million; palm kernel oil, $322 million; wood panel products, $106 million; fatty acids, $101 million; cocoa, $98 million; tobacco, $81 million; coconut oil, $73 million; and sugar, $68 million.

Malaysia has been diversifying its economy rapidly, expanding manufacturing and agricultural processing. Malaysia is a high-cost producer of rice and must import almost all of its corn, wheat, meat, and animal feed ingredients. Malaysia is an important producer and exporter of certain fruits such as canned pineapple, but also is a significant market for fruits and vegetables, especially fruit juices.

Export promotion

Malaysia has an active export market promotion program. Non-commercial credit is available for certain export crops. Counter-trade has become an important device for making Government sales of rubber, palm oil, and timber.

Import policies

Imports of most agricultural products are admitted without restriction. Rice trade is undertaken through a Government agency; and imports of fluid milk, chicken and certain chicken parts, wheat flour, and noodles are prohibited to protect domestic producers. New food health regulations were introduced in 1986; they are not restrictive, but do set specific requirements regarding labeling, date marking, use of additives, chemical residues, etc.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Palm oil	Export credit refinancing at 5% compared to current lending rate of 10.75%; credit on up to 80% of the sale	1,600	Slower growth

Note: Palm kernel oil and palm kernel meal exports also benefit. Part of this program may be paid by the private sector.

Trade Practices Impeding U.S. Exports to Malaysia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Chicken parts	Import licenses are permitted only for East Malaysia	0	Protect local producers	$20 million

Note: Protection appears questionable since Malaysia exports small quantities to Singapore. Malaysia does not have a processing industry, however, and could be expected to import from the United States at least as much as Singapore in parts, such as wings ($20 million in 1985).

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Corn for manufacture of high fructose corn syrup syrup (HFCS)	120	0	Price--HFCS mill using low starch flint corn from Thailand and China would prefer U.S. dent corn if not too much more costly	120

MALI

U.S. agricultural exports to Mali in 1985 totaled $22 million, virtually all food aid. Mali is not a significant agricultural exporter in competition with the United States.

Mali is not a member of the GATT, but has agreed to apply its provisions.

MAURITANIA

U.S. agricultural exports to Mauritania in 1985 totaled $22 million, all food aid. Mauritania is not a significant agricultural exporter in competition with the United States.

MEXICO

U.S. exports to Mexico

agricultural exports to Mexico in 1985 totaled $1,439 million, of which $63 million was food aid. Mexico was the fifth largest market for U.S. agricultural exports. The principal products were soybeans, $229 million; sorghum, $214 million; corn, $199 million; cattle hides, $92 million; live cattle, $87 million; sunflowerseed, $71 million; dairy products, $62 million; vegetable oils, $60 million; seeds, $54 million; variety meats, $52 million; inedible tallow, $48 million; vegetables, $37 million; and lard, $20 million.

Mexican exports

Petroleum accounts for two-thirds of Mexico's exports. Mexico's agricultural exports in 1985 totaled $1,673 million, most of which went to the United States. Cotton is the principal agricultural product exported in competition with U.S. agricultural exports.

Mexico's leading agricultural exports in 1985 were unroasted coffee, $481 million; tomatoes, $198 million; cattle, $143 million; cotton, $93 million; roasted coffee, $57 million; and melons, $36 million. Mexico is a major supplier of seasonal fruits and vegetables to the United States.

Mexican policies

Mexico provides price support for producers of rice, barley, corn, sorghum, wheat, dry beans, soybeans, sesameseed, safflowerseed, sunflowerseed, and cottonseed. Indirect producer assistance also has been provided through control of imports by restrictive licensing and frequent changes in tariffs. Mexico's import policies should become more liberal as a consequence of Mexico's joining the GATT in 1986, and the Government's efforts to eliminate certain import licensing requirements and to reduce Mexico's overall tariff level. The role of CONASUPO, a Government agency charged with controlling trade in basic food products, is being cut back, although CONASUPO continues to control imports of corn and beans and will import some oilseeds for its own crushing facilities.

Alcoholic beverages

Policies restricting imports of alcoholic beverages include quotas, restrictive licensing, high tariffs, artificial customs valuation practices, and in some cases a requirement on importers to export Mexican products. In the absence of these restriction, U. S. traders estimate exports of U.S. wine, beer, and distilled spirits might approach $75 million annually.

Export policies

In principle, export credit will continue to be available from the Government, but subsidized rates are to be phased out. Subsidies on inputs also have been important forms of assistance and will continue to some degree on such items as fertilizers, seeds, herbicides, water rates, diesel fuel, and insurance.

The U.S. Department of Commerce is investigating alleged dumping of cut flowers by Mexican exporters.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Mexico

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Grains	Restrictive licensing	434	Protect producers	Significant
Feed grains	Discriminatory regulation of public sector purchases from private trade	413	Prevent graft; protect producers	Eliminate burdensome import procedures and quality guarantees applied to private sales only

Trade Practices Impeding U.S. Exports to Mexico (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Oilseeds and vegetable oils	Restrictive licensing; denial of plant health clearance	376	Protect producers	Significant
Nonfat dry milk	Restrictive licensing	21	Protect domestic industry; save foreign exchange	Significant
Butter	Value added tax (45%) imposed in 1986	22	Same as above	Regain 1985 trade level
Tallow	Restrictive licensing	48	Same as above	Significant
Fruits, nuts, vegetables	Restrictive licensing; high tariffs	64	Same as above	Significant
Lard	Restrictive licensing	20	Same as	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Feed grains	380	320	Preferential treatment of Government purchases (table above)	30
Rice	58	0	Restrictive licensing	10

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Dry beans	97	65	Import controls; Price controls; Lack of foreign exchange	10
Beef (hotel quality)	Small	(90%)	Tariff	Significant
Variety meats	51	51	Tariff	Significant
Processed products	Small	(95%)	Restrictive licensing; high duties; lack of foreign exchange	Significant

MOROCCO

U.S. exports to Morocco

U.S. agricultural exports to Morocco in 1985 totaled $100 million, of which $65 million was food aid. The principal products were wheat, $57 million; corn, $14 million; rice, $5 million; cotton, $5 million; dairy products, $5 million; and soybeans, $4 million.

Moroccan exports

Morocco's agricultural exports in 1984 totaled over $300 million, of which citrus fruit was $101 million; tomatoes, $34 million; canned fruits and vegetables, $28 million; canned olives, $23 million; citrus juice, $19 million; and fresh vegetables, $17 million.

Production policies

Morocco has price support programs operated by a Government monopoly for wheat, barley, and corn, and assists producers through irrigation investments.

Import policies

The import regime provides for three categories of goods:

—Those requiring no import permit (usually goods considered essential and not produced in Morocco, goods in which Morocco is fully competitive, or goods protected in some other manner, such as tariffs or state trading). About 80 percent of all imports are in this category.

—Those for which an import permit is required. Most remaining goods are in this category.

--Those for which imports are prohibited (non-essential or luxury goods). No agricultural goods are prohibited.

Grains, tobacco, sugar, and tea may be imported only by the Government. In addition the Government monitors imports of products whose consumption is subsidized--butter and vegetable oils.

In late 1986, Morocco joined the GATT. Conditions of entry included binding tariff concessions on a number of important U.S. agricultural exports.

Export policies

The Government also has a monopoly on exports of fresh fruits and vegetables and wine. Morocco assists exporters with market promotion and export insurance. There are also provisions for drawback or refund of customs duties on products imported, processed and re-exported

MOZAMBIQUE

U.S. agricultural exports to Mozambique in 1985 totaled $36 million, all food aid.

Mozambique's exports in 1984 totaled $95 million, including cashews, shrimp, sugar, tea, and some cotton.

This South African country is expected to remain highly dependent upon grain imports and food aid for the next few years.

Mozambique is not a member of the GATT, but has agreed to apply its provisions.

NETHERLANDS (SEE EUROPEAN COMMUNITY)

NETHERLANDS ANTILLES

The Netherlands Antilles now comprise the islands of Curacao, Bonaire, Saba, and part of Saint Martin. They are an autonomous territory of the Netherlands. Aruba assumed separate status within the Kingdom of the Netherlands on January 1, 1986.

U.S. agricultural exports to the Netherlands Antilles, including Aruba, totaled $64 million in 1985. The principal products were vegetables, $20 million; poultry meat, $7 million; other meats, $6 million; rice, $5 million; fruit juice, $3 million; beverages, $3 million; fruit, $2 million; wheat, $2 million; feeds, $2 million; and tobacco, $2 million.

The economy of the Netherlands Antilles is based on refining of petroleum, and to a lesser extent on tourism. There is little agricultural production and no agricultural exports.

The Netherlands Antilles do not belong to the GATT.

NEW ZEALAND

U.S. exports to New Zealand

U.S. agricultural exports to New Zealand in 1985 totaled $27 million, including fruit, $8 million; peanuts, $3 million; fruit juice, $2 million; vegetable oils, $1 million; vegetables, $1 million; and seeds, $1 million.

New Zealand's exports

Over 60 percent of New Zealand's export receipts come from agricultural products. Agricultural exports in 1984/85 totaled about $3,493 million, of which wool was $708 million; lamb, $489 million; beef and veal, $457 million; butter, $306 million; milk powder, $243 million; fruits and vegetables (kiwis, apples, etc.), $236 million; cattle hides and sheepskins, $171 million; casein, $141 million; and cheese, $123 million.

Marketing boards and price stabilization

New Zealand makes broad use of marketing boards to support producers. For example, the New Zealand Dairy Board acquires all export dairy products from cooperatives at guaranteed prices, sells the products overseas, and returns the proceeds to private companies, less costs and funds for market development. Fluid milk for domestic consumption is controlled by the New Zealand Milk Board, also at guaranteed prices, including a subsidy for delivery to urban consumers.

Price stabilization funds also are operated for wool, sheepmeat, beef, wheat, apples, pears, and raspberries. The Fruit Distributors League has a monopoly, scheduled to end in 1990, over importation and distribution of citrus fruit, grapes, bananas, and pineapples. Until 1986 the Wheat Board had the sole authority to import wheat. Boards exist also for other products, but generally do not intervene in the market. Market intervention for eggs ended in 1986.

Other export assistance

Exports of some products also are assisted by tax credits for export expansion, although this program is being phased out. Another program, ended in 1985, provided credit convertible to grants for certain purposes. That program was ended in 1985.

The United States has imposed countervailing duties on subsidized lamb meat imports from New Zealand since 1985.

Health regulations

Plant and animal health regulations provide protection from imports of many livestock, poultry, and horticultural products (prohibitions apply for live sheep, poultry meat, pork and poultry fat, certain live plants, and certain fruits and vegetables). Elimination of the ban on poultry, for example, could increase U.S. exports by an estimated $2 million annually.

Import licenses

Despite a multi-year phase-out program, import licenses and/or quotas still are a requirement for some agricultural products, especially feed grains, potato flour, and other starches, poultry, honey, certain fruits and vegetables, coffee, tea and spices, certain seeds, certain oilseeds, certain vegetable oils (including margarine), oilcake, prepared feeds, certain sugar, confectionery, cocoa paste, cocoa powder, certain other cereal products, certain prepared or preserved meat, and certain alcoholic beverages (also subject to additional levies).

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Sheepmeat	Government loan to cover previous trade losses of $500 million	467	400
Dairy products	$375 million loan retired at net present value of $75 million	813	600
Kiwifruit	Export incentive of 1.05% of FOB export value; development expenditure tax offset	149	100

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Apples	Marketing board stabilization fund $25 million borrowed from the Government at low interest	59	40

Trade Practices Impeding U.S. Exports to New Zealand

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Apples	Imports only through private monopoly	1.3	Restrict imports to off-season	$4 million
Oranges	Same as above	2.4	Protect growers; give preference to Australia	$4 million
Processed foods	Import licensing	Negligible	Protect domestic processors	$4 million
Swine and prepared meats (incl. poultry)	High, preferential tariff	0	Protect local producers	Significant
Fresh chicken	Imports banned	0	Disease protection	Significant share of $86 million domestic market
By-products of wheat, corn, and barley	Same as above	0	Protect local producers and give preference to Australia	Significant

Trade Practices Impeding U.S. Exports to New Zealand (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Cereal preparations, biscuits	Imports banned	1.0	Protect domestic processors	Significant
Nuts, and preserved fruits	Same as above	1.0	Preference to Canada, Australia, developing countries	Significant
Fruit juices	Same as above	1.6	Preference to Canada, Australia	Significant
Sauces, pastes, etc.	Same as above	1.0	Preference to Canada, Australia, developing countries	Significant
Tobacco	New tariff in 1986 makes some competing leaf duty free	4.3	Tariff reform	Retention of present market

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Forest products (semi-processed)	10	0	High tariff, preferential for Canada	Share of $10 million trade
Tobacco		4	Manufacturers' blending policies; high taxes on cigarettes	Increased use of U.S. leaf

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	15	0	Trade agreement with Australia; port handling facilities	Access to market
Food products	35	5	High tariffs, preferences (see above)	Increase

NIGER

U.S. agricultural exports to Niger in 1985 totaled $12 million, all food aid.

Niger exports uranium and a few agricultural products, such as cattle, mainly to neighboring countries.

NIGERIA

U.S. exports to Nigeria

U.S. agricultural exports to Nigeria in 1985 totaled $313 million, including wheat, $226 million; inedible tallow, $19 million; oilseeds, $15 million; corn, $13 million; flavoring syrups, $8 million; cotton, $5 million; dairy products, $4 million; feeds, $2 million; and soybean meal, $2 million.

Nigerian exports

Nigeria's major agricultural exports are cocoa beans and products and palm kernels and products. Petroleum is the principal export overall.

Price support

Support prices guaranteed by Government purchasing apply for wheat, rice, corn, millet, sorghum, and beans. However, free market prices are above support prices. Government marketing boards have bought only small quantities of these crops. These marketing agencies ceased operations at the end of 1986.

Import policies

Imports are restricted because of a shortage of foreign exchange, but also to provide an incentive to expand production. On October 1, 1985, Nigeria announced a ban on imports of corn and rice in order to promote self-sufficiency. Wheat imports are subject to licenses, but recently licenses have been curtailed (imports were banned temporarily in 1986 and a ban has been announced to begin January 1, 1987). Vegetable oil imports are temporarily banned.

Until recently most imports other than oilcake and feeds have been subject to licensing and a prior deposit--for foods, about 50 percent of the value of the product. Import licenses are also curtailed for dairy products, and livestock and poultry products. Imports of many other products, including most fruits and vegetables and most processed foods are prohibited.

In September 1986 Nigeria implemented a new tariff, with lower customs duties for many products. The effect of lower duties was more than offset for many products by devaluation of the currency. Nevertheless, there also has been a relaxation of the licensing system and elimination of import surcharges. These steps were taken to liberalize the import regime, especially in the manufacturing sector.

Government Support for Exports

There are no programs for commodities of significant interest to the United States.

Trade Practices Impeding U.S. Exports to Nigeria

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Ban	226	To save foreign exchange	$20 million
Rice	Ban	0.1	Same as above	$10 million
Corn	Ban	13	Same as above	$20 million
Vegetable oils	Ban	0	Same as above	$5 million

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Malting barley	75	1	European subsidies	75

NORWAY

U.S. exports Norway

U.S. agricultural exports to Norway in 1985 totaled $65 to million, including soybeans, $27 million; tobacco, $8 million; almonds, $6 million; cotton, $4 million; raisins, $3 million; vegetables, $3 million; peanuts, $2 million; prunes, $2 million; rice, $2 million; canned fruit, $1 million; and fruit juice, $1 million.

Norwegian exports

Norway's agricultural exports in 1985 totaled over $350 million, including feeds, $105 million; hides and skins, $85 million; cheese, $44 million; meat, $13 million; and grains, $12 million.

Production and import policies

Norway's policy goal is expressed as keeping income from farming equal to income from other sectors. Achievement of this goal requires heavy subsidies, which in turn have encouraged excess production of some commodities and also requires high import protection. Import licenses and quotas apply for fruits and vegetables, meat, poultry and eggs until market prices rise above target ceilings. Dairy products are also subject to import licenses; normally no imports are required. These price guidelines, as well as related import protection, are set by negotiation with farm organizations. Price guarantees apply only for grains and wool. Imports of all grains and feed concentrates are made by a Government monopoly, the Norwegian Grain Corporation. Alcoholic beverages are also subject to state trading. Finally, Norway employs a variable import levy (in addition to quotas) to offset the difference between domestic and import prices of certain meat and certain dairy products.

Export policies

Export subsidies are available for certain meats and certain dairy products. The costs are borne by producers.

Government Support for Exports

Domestic support and export programs as described above.

Trade Practices Impeding U.S. Exports to Norway

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Fresh fruits	Import calendar (seasonal ban)	0.8	Protect domestic producers	Over $5 million
Softwood products	Ban	0	Plant health (alleged nematode problem)	$4 million or more

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wine	15	0	Lack of product awareness; state trading; ban on advertising	2 to 3
Beef	0	0	Lack of product awareness	2 to 3
Instant mashed potatoes	0	0	Protection of domestic industry	3
Poultry	1	0	Newcastle disease	1

OMAN

U.S. agricultural exports to Oman in 1985 totaled $8 million, including vegetables and preparations, $3.4 million; flavoring syrups, $1.4 million; vegetable oils, $0.8 million; fruit juices, $0.5 million; nuts, $0.4 million; seeds, $0.3 million; and whey, $0.3 million.

The desert conditions preclude significant agricultural production. Petroleum is the principal product and export. Oman's agricultural exports (including fish) totaled $57 million in 1984. Oman subsidizes production of poultry, eggs, milk, vegetables and fruits, and subsidizes imports of rice, wheat, sugar, cattle, powdered milk, and vegetable oils. Most food is imported and is not subject to either duties or restrictions.

Oman is not a member of the GATT.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Oman

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	Government corporation buys basmati rice from India and Pakistan (other suppliers not invited to bid) and sells at subsidized price; other rice is not subsidized	0.2	Basmati preferred	Significant
Wheat	Government controlled flour mill contracts with Australia	0	Custom; price	Significant if U.S. price is competitive

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Poultry meat	12	1.0	Competitors' subsidies	over 5
Rice	13	0.2	Preference; lack of awareness	over 5

PAKISTAN

U.S. exports to Pakistan

United States agricultural exports to Pakistan in 1985 totaled $266 million, of which $109 million was food aid. The principal products were soybean oil, $119 million; wheat, $97 million; inedible tallow, $40 million; and dairy products, $5 million.

Pakistan's exports

Pakistan's agricultural exports in 1984/85 totaled about $688 million, including cotton, $294 million; and rice (about half was basmati rice), $218 million.

Production policies

Pakistan aids its agricultural producers with very small subsidies for fertilizers and other inputs; these are to be replaced by higher procurement (support) prices when circumstances permit. Support prices apply for wheat, rice, sugar, sunflowerseed, soybeans, and cotton.

Import policies

Pakistan restricts imports of most agricultural products, primarily to conserve foreign exchange. Banned imports include live swine, meat, lard, lard stearin, lard oil, margarine, fish, fresh milk and cream, cheese, eggs in shell (except for hatching), vegetables (fresh, chilled or dried, except onions, seed potatoes and leguminous vegetables for sowing), fruits (except dates), and coarse grains (except corn).

Wheat, rice, corn, sugar and butter oil are imported solely by the Government. Private imports of edible oil are allowed, but until the market was deregulated in April 1986, the bulk of such imports were handled by the Ghee Corporation of Pakistan because import charges did not permit imported oil and ghee to be sold profitably at regulated prices.

Soybean meal may be imported duty free for poultry feed; otherwise there is a duty of 40 percent plus additional taxes of 15 percent. In general, import licenses are required, and taxes on top of import duties are imposed on many products.

Export policies

Exports are aided by exemption from taxes of up to 55 percent of export earnings, and by export credit refinancing by the Central Bank interest. Effective April 1985, the Government provided increased export incentives —payments equal to 7.5 percent of the export value for poultry, flowers, and fresh fruit.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Cotton (raw)	Price supports for producers and ginners and deficiency payments to Government agency	412	Reduced
Rice (medium grain)	Same as above	150	Reduced

Trade Practices Impeding U.S. Exports to Pakistan

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Processed foods	Imports banned, or importers must pay prohibitive duties and taxes	nil	Save foreign exchange; develop processing industry	$5 million
Soybean meal	Import duties and taxes	1	Prohibit private trade	Significant
Soybeans	Variable import levy, surcharges and taxes	112	Encourage domestic production and save foreign exchange	$30 million
Nonfat dry milk	Import duty and taxes amount to 80% ad valorem	9	Same as above	$20 million
Almonds	Ban	0	Save foreign exchange	$7 million or more

Note: Estimates of potential increases in U.S. exports are very approximate.

Market Opportunities

Commodity	Import Value ($ Million) Total	U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Soybean oil	118	112	Competitive price of palm oil; import policies above	Share of $30-million increase
Soybean meal	1	1	Lack of awareness; limited processing capacity; high transport costs; import policies above	Significant
Tallow	38	35	Competitive price of Australian tallow; limited processing capacity	10
Nonfat dry milk	35	9	Competitive price of European product; high transport costs; import policies above	10
Dry peas	nil	nil	Lack of product awareness	5
Processed foods	1	nil	Lack of market information; lack of product development and technical servicing; import policies above	5

Note: Trade data are Pakistan import statistics

PANAMA

U.S. agricultural exports to Panama in 1985 totaled $84 million, including wheat, $13 million; flavoring syrups, $9 million; corn, $5 million; vegetable oils, $5 million; soybean meal, $5 million; soybeans, $3 million; dry beans, $3 million; inedible tallow, $2 million; feeds, $2 million; pork, $2 million; grapes, $2 million; apples, $2 million; canned fruit, $2 million; fruit juice, $2 million; canned vegetables, $2 million; and cheese, $2 million.

Panama's agricultural exports in 1985 totaled less than $200 million. The leading products were bananas, $97 million; sugar, $26 million; and coffee, $14 million.

Panama does not subsidize production or exports directly. However, production is aided indirectly by the high tariffs and import quotas for products that compete with Panamanian production.

The principal products subject to import quotas are rice; pork and ham; certain fruits and fruit concentrates; tomato paste, juice, and sauces; certain fruits and vegetables and juices; wheat flour; most dairy products; honey; dog food; and jellies and jams.

Panama is not a member of the GATT.

PERU

U.S. exports to Peru

U.S. agricultural exports to Peru in 1985 totaled $76 million, of which $36 million was food aid. The principal products were wheat, $20 million; corn, $17 million; other grains and grain products, $11 million; soybean oil, $9 million; soybean meal, $5 million; dry peas, $2 million; and nonfat dry milk, $2 million.

Peruvian production policies

The Government which took office in Peru in mid-1985 has given high priority to encouraging production and to holding down food costs by means of retail price controls for milk, rice, bread, spaghetti, vegetable oil, poultry, eggs, and sugar. Guaranteed producer prices have been set at favorable levels for cottonseed, cottonseed cake, corn, rice, fresh milk, nonfat dry milk, and butter oil. Agricultural credit programs have received funding priority. The cost of these programs in the face of low prices for consumers will result in large consumer subsidies.

Import policies

To assure food supplies, the Government has imported potatoes, poultry, beef, rice, and pulses. Bulk commodities are imported by ENCI and ECASA, state trading companies, within limits established by the Council of Ministers. Imports of other products are essentially prohibited in order to conserve foreign exchange (import licenses are denied). Exceptions may be products such as hatching eggs, needed by the poultry industry. Preference is given to imports from other Latin American countries.

Peruvian exports and export policies

Peru's agricultural exports in 1985 totaled $326 million, including coffee, $151 million; cotton, $52 million; and sugar, $25 million. They receive no direct assistance. Cotton and rice production have benefited from irrigation development. However, concessional export financing may be provided to other, nontraditional exports.

The U.S. Department of Commerce is investigating allegations of subsidies to the cut flower industry and of dumping of cut flowers by Peruvian exporters.

Government Support for Exports

There are no export subsidies on products that compete with U.S. agricultural exports. The Government, in effect, taxes exports by requiring conversion of export earnings to Peruvian currency in part at an overvalued official exchange rate.

Trade Practices Impeding U.S. Exports to Peru

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat and wheat flour	Imports only through state agency and subject to annual import quotas	22	To control food prices and distribution	Significant
Corn, sorghum	Same as above	17	Same as above	Moderate
Rice	Same as above	0.3	Same as above	Significant (U.S. sales in 1984 were $14 mil.)
Soybeans	Same as above	Negligible	Same as above	Moderate
Soybean oil	Same as above	9	Same as above	Significant (U.S. sales in 1984 were $14 mil.)

Market Opportunities

Opportunities appear to exist mainly for bulk commodities, as listed above, at this time.

PHILIPPINES

U.S. exports to the Philippines

U.S. agricultural exports to the Philippines in 1985 totaled $292 million, of which $41 million was food aid. The principal products were wheat, $115 million; tobacco, $42 million; rice, $36 million; soybean meal, $32 million; cotton, $13 million; flavoring syrups, $9 million; dairy products, $7 million; and tallow, $3 million.

Philippine exports

Philippine agricultural exports in 1985 totaled about $1,150 million--about one-third of total exports. The leading products were vegetable oils (especially coconut oil), $348 million; fruits and vegetables (bananas, pineapple products, others), $354 million; sugar, $189 million; coffee, $71 million; feedstuffs, $38 million; fibers (cotton, silk, abaca), $31 million; and tobacco, $28 million.

Export policies

The Aquino Government seeks to boost and diversify agricultural exports and raise production that will replace imports. It hopes to provide higher returns to farmers and to break up monopolies (e.g., sugar, coconuts). The success of these policies is not yet clear and will depend on whether funding is available. In the past support prices have not been effective because of lack of funds.

Import policies

Foreign exchange continues to be tightly rationed. The National Food Authority (NFA) has been the sole importer of wheat, rice, corn, and feed ingredients (soybean meal), but private traders can now import soybean meal and wheat. The NFA continues to regulate imports of feed ingredients, cassava, and tallow, by requiring import permits. Corn and rice imports are banned. Otherwise licenses from the Ministry of Trade are required for most products.

Imports of high-value products, such as fresh and processed fruits, nuts, wines, nonalcoholic beverages, potato products, cigarettes, cigars and other manufactured tobacco products have high tariffs and/or can only be imported by tourist-oriented or export-oriented businesses. Fresh fruit, most seeds, potatoes, onions, garlic, and cabbages remained banned.

Government Support for Exports

None at this time.

Trade Practices Impeding U.S. Exports to the Philippines

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Fresh fruit (apples, pears, grapes, oranges, cherries)	Import ban in 1986; 50% duty; imports are regulated by Central Bank and Ministry of Agriculture	0.02	Save foreign exchange; protect producers	Substantial share of former $4 million market
Dried fruit	Import ban in 1986	0.8	Same as above	Significant
Corn	Import ban in 1986.	4	Same as above	Would depend on price relative to Thailand

Note: Trade data based on Philippine statistics.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Beef, veal		1	Trade ties with Australia; price of U.S. beef for processing; reduced consumer purchasing power; import licensing	Significant
Nonfat, dry milk		6	Trade ties with Australia, New Zealand, and EC	Significant if marketing and pricing are aggressive

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wine		0	50% duty; demand limited to upper society; Central Bank import requirements for letters of credit; lack of awareness	Substantial share of a former $2-million market (note: 1986 import ban lifted)
Cattle for breeding		0	Trade ties with Australia; reduced consumer purchasing power	Majority of market of about $5 million, if price is competitive

POLAND

U.S. agricultural exports to Poland in 1985 totaled $92 million, of which $46 million was food aid. The principal products were dairy products, $28 million; soybean meal, $14 million; cattle hides, $13 million; wheat, $12 million; corn, $10 million; wheat flour, $6 million; and soybean oil, $4 million.

Production and trade are centrally planned as far as possible. Poland's imports and exports are made exclusively through Government agencies. Availability of credit is a major factor in import decisions. Exports are aided to some extent by allowing the export agencies to retain a portion of their exchange earnings for their own use.

Poland's agricultural exports total over $800 million, principally canned ham and other livestock products.

PORTUGAL (SEE EUROPEAN COMMUNITY)

QATAR

U.S. agricultural exports to Qatar in 1985 totaled $3.7 million, including vegetables and preparations, $1.1 million; vegetable oils, $0.5 million; flavoring syrups, $0.3 million; seeds, $0.2 million; and beef, $0.2 million.

The desert conditions preclude significant agricultural production. Petroleum is the principal product and export. Qatar's agricultural exports (including fish) are estimated at less than $1 million. Qatar subsidizes production of poultry, eggs, milk, vegetables, and fruits, and subsidizes imports of rice, wheat, sugar, cattle, powdered milk, and vegetable oils. Most food is imported and is not subject to either duties or restrictions.

Qatar is not a member of the GATT.

Government Support for Exports

None.

Trade Practices Impeding U.S. Exports to Qatar

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	Government corporation buys basmati rice from India and Pakistan (other suppliers not invited to bid) and sells at subsidized price; other rice is not subsidized	0.2	Basmati preferred	Significant
Wheat	Government controlled flour mill contracts with Australia	0	Custom; price	Significant if U.S. price is competitive

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Poultry meat	12	1.0	Competitors' subsidies	Over 5
Rice	13	0.2	Preference; lack of awareness	Over 5

ROMANIA

U.S. agricultural exports to Romania in 1985 totaled $81 million, including hides and skins, $41 million; soybeans, $22 million; corn, $11 million; and soybean meal, $5 million.

Production and trade are centrally planned as far as possible. Trade is conducted through Government agencies. Credit and availability of foreign exchange are major factors in purchasing decisions.

Agriculture accounts for less than 7 percent of Romania's exports. The leading agricultural exports are grains, sheep, meat, fruits and vegetables, and vegetable oils (sunflower and rapeseed).

Government Support for Exports

State management of trade.

Trading Practices Impeding U.S. Exports to Romania

State trading and limited foreign exchange resources are the principal impediments.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Feed grains	40	20	Underdeveloped livestock sector	10
Soybeans	100	23	Lack of foreign exchange; underdeveloped processing industry	10
Soybean meal	14	5	Lack of foreign exchange; underdeveloped livestock sector	3
Cattle	50	41	Lack of foreign exchange	10

SAUDI ARABIA

U.S. agricultural exports to Saudi Arabia in 1985 totaled $351 million, including rice, $101 million; corn, $48 million; vegetable oils, $33 million; soybean meal, $19 million; wheat, $15 million; vegetable preparations, $14 million; apples, $11 million; fruit juices, $11 million; beef, $11 million; seeds, $10 million; almonds, $6 million; flavoring syrups, $6 million; poultry meat, $5 million; and canned vegetables, $4 million.

The economy of Saudi Arabia depends exclusively on the export of petroleum and petroleum products. Saudi Arabia has employed heavy subsidies to grow certain basic crops under adverse climatic conditions, especially wheat, substantial quantities of which were exported in 1986. However, Saudi Arabia still depends on imports for most of its needs.

Saudi Arabia is not a member of the GATT.

SENEGAL

U.S. agricultural exports to Senegal in 1985 totaled $26 million, of which $8 million was food aid. The principal products were rice, $14 million; dairy products, $4 million; feed grains and products, $3 million; and tobacco, $2 million.

Senegal is a major producer of peanuts and has been trying to diversify also into other crops, including cotton, sugar, and vegetables. The staple food crops are millet and sorghum. Drought is a persistent problem.

A new tariff introduced in September 1986 sets duties within a range of 10-65 percent, but adds a surcharge of 15 percent. Rice, millet, potatoes, and vegetable oils are exempt from the surcharge.

SINGAPORE

U.S. agricultural exports to Singapore in 1985 totaled $113 million, including poultry meat, $23 million; oranges, $11 million; vegetable oils, $8 million; apples, $7 million; flavoring syrups, $5 million; grapes, $5 million; tobacco, $3 million; nuts, $3 million; vegetable preparations, $3 million; canned vegetables, $3 million; cotton, $2 million; and frozen potatoes, $2 million.

Singapore is a mercantile and manufacturing center, with essentially no agriculture. It has long maintained a free trade regime, although protective duties have been introduced for some processing industries, especially alcoholic beverages, tobacco products, and sugar confectionery. Tax exemptions and other incentives are accorded businesses which locate in Singapore. Singapore signed the Tokyo Round Subsidies Code in 1983 and discontinued certain practices at that time.

Government Support to Exports

None.

Trade Practices Impeding U.S. Exports to Singapore

None.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Lemons	1.3	0.2	Lack of product awareness; price	0.1

Market Opportunities (Continued)

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Grapefruit	0.4	0.1	Lack of product awareness	0.1
Stone fruits	5.2	2.2	Lack of product awareness; limited distribution; poor handling and transport	1.1
Table grapes	14.3	8.5	Lack of product awareness; limited distribution	2.5
Pears	18.0	0.3	Lack of product awareness	0.6
Berries	0.8	0.6	Lack of product awareness; limited distribution	0.1
Apples	25.4	11.6	Lack of product awareness	2.2
Walnuts, pecans, pistachios	7.2	0.2	Same as above	0.3
Roasted mixed nuts	3.1	1.2	Same as above	0.3
Prepared fruit, not in syrup	7.3	0.3	Same as above	0.1
Canned peaches	1.1	0.6	Same as above	0.3
Jams, jellies, fruit purees and pastes	2.5	0.6	Same as above	0.3
Condiments	3.1	0.5	Same as above	0.2
Shortening	2.0	0.5	Same as above	0.2

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Candy, including chocolate	25.9	2.1	Lack of product awareness	1.0
Wine	4.0	0.2	Same as above	0.2
Butter	6.2	0	Lack of product awareness; price	0.1
Cheese	5.4	0	Same as above	0.2
Beef	31.0	3.8	Lack of product awareness; poor economy	0.4
Chicken parts	35.0	27.4	Same as above	3.4

SOMALIA

U.S. agricultural exports to Somalia in 1985 totaled $39 million, all food aid.

Somalia's exports in 1985 totaled $107 million, primarily live cattle and other animals, hides and skins, and bananas.

Somalia is not a member of the GATT.

SOUTH AFRICA

U.S. sanctions

Effective October 3, 1986, the United States imposed an import ban which covers all food and agricultural products from the Republic of South Africa. The South African Government is considering possible retaliation. Such action might affect not only U. S. exports to the Republic of South Africa, but also to the entire South African region, since the Republic of South Africa provides and maintains vital transportation lines to bordering countries.

U.S. exports to South Africa

U.S. agricultural exports to South Africa in 1985 totaled $108 million, including corn, $30 million; rice, $25 million; vegetable oils, $9 million; inedible tallow, $7 million; dairy products, $5 million; live horses, $3 million; seeds, $3 million; and essential oils, $2 million.

South African exports

South Africa's agricultural exports in 1985 totaled $1,290 million, including wool and mohair, $358 million; deciduous fruit and grapes, $146 million; sugar, $132 million; preserved fruit, $128 million; hides and skins, $103 million; and fresh citrus fruit, $84 million.

Marketing boards

South Africa makes extensive use of marketing boards. The Government grants subsidies to the Wheat Board and the Maize Board to be passed on in lower prices to consumers of bread and corn products. The Wheat Board is the sole domestic buyer and usually the sole importer of wheat, oats, rye, and barley. Prices are set annually. Any losses on exports are, in principle, recovered from producers by levies on them to support stabilization funds. Levies on producers are also applied to imports. The Maize Board carries out the same function for corn, grain sorghum, and buckwheat. There are similar boards for dairy products and for chicory. These boards may also issue import permits, rather than importing themselves.

The following boards export on their own account: Potato Board, Egg Board, Dairy Board, Maize Board (corn only). The following export on behalf of producers: Citrus Board, Deciduous Fruit Board, Dried Fruit Board, Chicory Board. The following sell to commercial firms which then export: Maize Board (corn, sorghum, buckwheat), Dry Bean Board, Oilseeds Board (peanuts, soybeans, sunflowerseed), Lucerne Seed Board, Rooibos Tea Board, Mohair Board, Wool Board, Wheat Board (wheat, oats, barley, rye), Meat Board (chilled and frozen beef and pork). The following do not export: Tobacco Board, Banana Board, Canning Fruit Board, Karakul Board, Cotton Board.

Other import policies

An import permit, issued by the Director-General of Agricultural Economics and Marketing is required to import dried prunes, dried sultanas, loose raisins, dried currants, leguminous seeds, potatoes, chicory, alfalfa seed, and dry beans.

An import permit is required from the relevant marketing board in the case of dried vine fruits, dried prunes, peanuts, sunflowerseed, bananas, citrus fruit, peaches, nectarines, plums, prunes, grapes, mohair, and wool.

Import permits are further required from the Department of Trade and Industry in the case of walnuts, coffee, cherries (drained or glace), tomato concentrates, and alcoholic beverages.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Preserved fruits	Marketing boards; export incentives normally paid when raw products are imported for processing; payment not based on amount of product exported, but based on tax cuts; other export tax relief not normally applicable, since boards are not taxed.	79	77
Citrus fruit	Same as above	52	50
Deciduous fruit	Same as above	90	87
Hides and skins	Same as above	55	53

Trade Practices Impeding U.S. Exports to South Africa

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Poultry; prepared foods; many small trade items	Import licensing by the Ministry of Agriculture	0.8	Foreign exchange control	Positive, but would depend on product

Market Opportunities

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Rice	54.4	29.9	None	Not applicable under present political conditions
Tallow	20.3	6.3	None	Same as above
Seeds	5.3	2.3	None	Same as above

Note: Trade data based on South African statistics

SPAIN (SEE EUROPEAN COMMUNITY)

SRI LANKA

U.S. agricultural exports to Sri Lanka in 1985 totaled $37 million, of which $23 million was food aid. The principal products were wheat, $32 million; blended cereal food products, $2 million; and nonfat dry milk, $1 million.

Sri Lanka's main agricultural export is tea. The principal food crop is rice, for which the Paddy Marketing Board operates a guaranteed price program. In addition the Food Commissioner grants subsidies for fertilizer. The objective is self-sufficiency, which has nearly been reached.

To supplement this program imports of wheat and wheat flour are undertaken by the Government only. Wheat is not grown. Rice exports are prohibited.

The Government no longer attempts to trade directly in most products, but import licenses are required for many products.

SUDAN

U.S. agricultural exports to Sudan in 1985 totaled $171 million, of which $165 million was food aid. The principal products were wheat, $57 million; grain sorghum, $55 million; wheat flour, $21 million; soybean oil, $13 million; nonfat dry milk, $7 million; inedible tallow, $4 million; and seeds, $1 million.

Sudan is a major exporter of cotton--over $100 million worth per year. Import licenses are required for all products; some are limited by quota.

Sudan is not a member of the GATT.

SURINAME

U.S. agricultural exports to Suriname in 1985 totaled $12 million, including wheat, $3 million; soybean meal, $3 million; and feeds, $2 million.

Suriname's agricultural exports are primarily rice ($70-$80 million), bananas ($10 million), timber, and palm oil. Imports are controlled by licensing for the most part.

SWEDEN

U.S. exports to Sweden

U.S. Agricultural exports to Sweden in 1985 totaled $108 million, including tobacco, $38 million; almonds, $10 million; rice, $7 million; cotton, $6 million; raisins, $6 million; prunes, $5 million; vegetable preparations, $4 million; fresh fruit, $3 million; seeds, $3 million; canned vegetables, $2 million; and beef, $2 million.

Swedish exports

Sweden's agricultural and seafood exports in 1984 totaled $1,944 million, including grains and grain products, $203 million (wheat, $102 million); pork, $106 million; fats and oils, $91 million (rapeseed oil, $38 million); hides and skins, $75 million; fruits and vegetables, $45 million; beef, $29 million; butter, $21 million; rapeseed, $19 million; and cheese, $11 million.

Policy goals

Sweden's agricultural policy goals are to guarantee adequate supplies of food in case of emergency; to assure an income from agriculture equivalent to that earned in other sectors; and to promote efficient farming. In an effort to reduce the costs of dairy and grain surpluses, Sweden has a two-price quota system in effect for milk and has proposed a grain set-aside program.

Support system and export aid

The domestic price level is supported by import levies and by regulations fixing target prices and marketing measures. For dairy products, meat, poultry, eggs, potatoes, and potato starch, upper and lower wholesale price targets are set. Import levies are raised or lowered when wholesale prices move outside the target range. Export subsidies are available for dairy products, meat, poultry, and eggs.

There is no direct price target for grains, but the domestic price level is protected by import levies, import licenses (mainly to limit wheat not suitable for baking), and export subsidies. The same system, except for export subsidies, applies to sugar. Price support for oilseed production is financed by a levy on producers and imports of all vegetable fats and oils. There are also subsidies in the form of regional aids and low income support.

Other import measures

Import licenses are used to enforce seasonal limits on imports of apples and pears. Certain fruits and vegetables and processed foods are subject to levies and/or quality control taxes. Alcoholic beverages are subject to state trading.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Wheat	Marketing board stabilization fund	80	40
Rapeseed oil	Same as above	29	15
Rapeseed	Same as above	21	10
Butter	Same as above	16	8

Trade Practices Impeding U.S. Exports to Sweden

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Apples	Seasonal ban	0.3	Protect producers	$3 million

Trade Practices Impeding U.S. Exports to Sweden (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Pears	Seasonal ban	2.0	Protect producers	$4 million
Wheat	Variable levy	0	Same as above	$10 million
Beef	Variable levy; hormone ban	1.9	Protect producers, processors, and consumers	$3 million increase
Dried potato products	Variable levy	1.5	Protect processors	Double present exports
Softwood	Plant health ban in 1986		Alleged nematode problem	$25 million
Wine	Lack of consumer awareness; state trading; ban on advertising		Protect state monopoly	$600,000

Market Opportunities

Same as above.

SWITZERLAND

U.S. exports to Switzerland

U.S. agricultural exports to Switzerland in 1985 totaled $184 million, including tobacco, $66 million; cotton, $32 million; furs, $20 million; rice, $14 million; almonds, $11 million; dried fruit, $4 million; canned vegetables, $4 million; vegetable oils, $4 million; oilseeds, $3 million; essential oils, $3 million; vegetable preparations, $2 million; beef, $2 million; poultry meat, $2 million; and orange juice, $2 million.

Swiss exports

Swiss agricultural exports (including certain manufactured cotton) in 1985 totaled $1,704 million. The leading products were manufactured cotton, $421 million; dairy products, $244 million; processed foods, $202 million; chocolate products, $102 million; manufactured tobacco, $97 million; hides and skins, $137 million; and furs, $40 million.

Support system and export policy

Price and income support subsidies are concentrated in the dairy and livestock sector, but apply also to grains, certain fruits and vegetables. There are deficiency payments for sugar.

Milk

Milk production is supported by guaranteed producer prices, subject to production quotas for each farmer. Imports are subject to quotas, licensing, and in some cases surcharges or variable levies. Exports of dairy products are subsidized.

Meat

For red meat there are target prices maintained by import quotas and export subsidies.

Grain

For bread grains, the Government provides guaranteed prices supported by Government purchasing. Imports of grains are subject to quotas and licensing and in some cases, especially for grain products, surcharges. A similar guaranteed price system, with an acreage limit, applies to potatoes.

Fruits, vegetables, beverages

There are fixed take-over prices and restrictive import measures (quotas, licensing, or surcharges) for many fruits and vegetables, and support of wine prices by cartel. Imports of wine are subject to levies and quotas. State trading applies to other beverages.

Other import policies

In addition to the foregoing, there are quotas or import license requirements or surcharges for imports of certain live animals and animal products, oilseeds, feeds and feed ingredients, seeds for planting, certain animal and vegetable fats and oils, and chocolate products. Licensing and variable levies apply to imports of certain processed foods.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Cheese	Deficiency payments	234.6	50

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Milk powder	Direct cash export subsidies	6.5	0
Beef	Direct cash export subsidies	0.8	0
Fruit juice concentrates	Deficiency payments	3.7	1
Wine	Marketing Board Fund	7.5	2
Chocolate and choc. products	Subsidies to offset higher cost of domestically produced raw materials	102.2	20
Prepared food	Same as above	202.1	
Breeding cattle	Government payments to market stabilization fund	10.5	5

Trade Practices Impeding U.S. Exports to Switzerland

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Private monopoly; import levies	0	Producer protection	Significant
Feed grains	Private monopoly; quota; levies	Negligible	Same as above	Significant
Oilseeds	Import taxes	3.3	Same as above	Moderate
Oilcake	Private monopoly; quota; levies	0	Same as above	Significant

Trade Practices Impeding U.S. Exports to Switzerland (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Poultry	Added duties; voluntary agreement between importer and producer	1.6	Producer protection	Significant
Beef	Added duties; quota; trade controlled by domestic butchers	1.8	Same as above	Significant
Pork	Added duties; quota	0.2	Same as above	Moderate
Fats and oils	Import levies	3.8	Same as above	Significant
Fresh fruits	Import calendar (seasonal restrictions) for competitive products	0.7	Same as above	Significant
Wine	Quotas; levies		Same as above	Significant

Note: Significant market expansion is indicated where the present U.S. market share is less than 15 percent and it is believed Swiss production would drop markedly without protection. Removal of protection would also benefit other nearby suppliers.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Beef	28	3.4	Quota not fully utilized, due to stiff competition; import of portion-controlled meat is prohibited	2.0

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Poultry	59	0.8	Non-governmental arrangement between importer and producer	1.5
Aquacultural products	99	0.9	Lack of product awareness; lack Of integrated marketing	0.3
Red wine in barrels	83	0.1	Quota not fully utilized; lack of product awareness	Significant
Red and white wine in bottles	132	0.5	Quota not fully utilized; lack of product awareness	Good potential
Health foods	NA	NA	Lack of product awareness	Significant

NA = Not Available
Note: Trade data based on Swiss statistics.

SYRIA

U.S. exports to Syria

U.S. agricultural exports to Syria in 1985 totaled $45 million, including corn, $19 million; soybean meal, $14 million; wheat, $8 million; and seeds, $2 million.

Syrian exports

Petroleum is Syria's principal export. Syria's agricultural exports in 1984 totaled about $400 million, including cotton, $283 million; live sheep, $49 million; lentils and chickpeas, $25 million; wool, $6 million; and hides and skins, $6 million.

Production and trade policies

Severe economic difficulties, including shortage of foreign exchange, have limited imports and hindered Government intervention in agricultural support. Government agencies attempt to set prices of many commodities; to buy and market domestic production of grains; to participate in poultry production; and to market vegetable oils and apples. Tobacco production and trade is handled by a government monopoly; imports are prohibited. The Cotton Marketing Organization, which is government owned, monopolizes the ginning and export of cotton.

Syria is not a member of the GATT.

Consumption policies

Consumer prices are subsidized for bread, baby food, rice, sugar, tea, and vegetable oil. The latter four commodities require a ration card to be purchased.

Government Support to Exports

State trading is the principal assistance.

Trade Practices Impeding U.S. Exports to Syria

State trading is the principal policy impediment.

Market Opportunities

Commodity	Import Value ($ Million) Total	Import Value ($ Million) U.S.	Constraints to Trade	Potential New U.S. Exports ($ Million)
Tobacco	0	0	Import ban	$2 million
Grains	221	0	State trading; lack of foreign exchange	$100 million
Soybean meal	23	1	Lack of foreign exchange	$20 million
Soybean oil	20	0	State trading; U.S. prices	$7 million
Nuts	0	0	Lack of foreign exchange	$5 million
Dairy heifers	0	0	Same as above	$5 million

Note: Trade data are based on Syrian statistics, which differ substantially from U.S. export data.

TAIWAN

U.S. exports to Taiwan

U.S. agricultural exports to Taiwan in 1985 totaled $1,231 million. Taiwan was the seventh largest market for U.S. agricultural exports. The principal products were corn, $374 million; soybeans, $322 million; cotton, $117 million; cattle hides, $112 million; wheat, $99 million; tobacco, $61 million; feeds, $24 million; apples, $13 million; grain sorghum, $13 million; barley, $12 million; inedible tallow, $12 million; live cattle, $6 million; beef, $5 million; almonds, $4 million; grapes, $3 million; raisins, $3 million; orange juice, $3 million; canned vegetables, $3 million; and dry peas, $2 million.

Taiwanese exports

Taiwan's exports of agricultural products in 1985 totaled about $1,200 million. The leading products were pork, $234 million; processed fruit, $107 million; feathers, $80 million; canned mushrooms, $50 million; bananas, $43 million; canned bamboo shoots, $41 million; fresh vegetables, $38 million; canned asparagus, $36 million; and other processed vegetables, $177 million.

Rice diversion program

In 1984 Taiwan began a rice conversion program, providing payment in rice to rice growers who would convert to production of horticultural crops, corn, and sorghum.

Import policies

Import licenses are required for most products; a few are tightly controlled. Bulk commodities are subject to import quotas. In past years these have been set and allocated according to previous trade patterns, but in 1986 some increases have been made in expectation of phasing out these limits.

For other products, especially high-value products, imports are hindered by high tariffs. Examples are apples, 65-67 percent; fruit juices, 55 percent; fresh citrus fruit, 50 percent; canned fruit, 45 percent; frozen peaches, 45 percent; almonds, 20-30 percent. A special levy applies to grain and soybeans. A value-added tax was introduced in 1986.

Restrictions by the Taiwan Tobacco and Wine Monopoly Bureau are the subject of a Section 301 action by the United States.

Taiwan is not a member of the GATT, but trade between the United States and Taiwan is subject to a bilateral trade agreement with provisions comparable to those in the GATT.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Rice	Purchased at a fixed price by the Government and exported at a loss	6	0
Sugar	Same as above	28	0

Trade Practices Impeding U.S. Exports to Taiwan

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Peanuts	Import ban	0	Producer protection	Significant
Edible offals	Import ban	1.6	Producer protection; health regulations	Significant
Chicken and parts	Import ban	0	Producer protection	Significant
Peaches	Import ban	0	Same as above	Significant
Feed grains	Mandatory use of rice for feed; special levy to pay for rice diversion	398.7	To reduce massive rice surplus	Excellent
Wheat	Quota; special levy to pay for rice diversion	99.1	Encourage rice consumption	Significant
Fresh fruit	Very high duties	18.8	Producer protection; revenue	Significant
Canned fruit	Same as above	1.9	Same as above	Significant

Trade Practices Impeding U.S. Exports to Taiwan (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Fruit juices	Very high duties	4.1	Producer protection; revenue	Significant
Protein substance	Same as above	0.6	Same as above	Significant
Nuts	Same as above	5.1	Same as above	Significant
Canned and frozen vegetables	Same as above	11.8	Same as above	Significant
Soybeans	Same as above	321.7	Revenue	Moderate
Beef	Same as above	4.9	Revenue	Moderate
Other processed food	Same as above	NA	Revenue; producer protection	Significant

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Fiberboard	14.8	8.6	Tariff	Significant
Particle-board	8.0	3.0	Tariff	Significant
Hardwood lumber	108	37	Lack of consumer awareness of product for interior design	3.0
Hardwood veneer	21	7	Same as above	2.0
Frozen potato products	0.2	0.05	Lack of product awareness; customs specifications	0.9

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wine	0.5	0.1	Lack of product awareness; infrastructure	10.0
Alfalfa	1.6	0.2	Lack of product awareness	2.0
Nuts	5.1	4.2	Lack of product awareness; tariff	5.0
Cattle	7.5	5.9	Infrastructure	8.0
Grapefruit	3.0	2.5	Lack of product awareness; tariff	4.0

Notes: Estimates of potential U.S. exports take into account only restraint removal and assume 2 years will be required to reach the level shown. Trade data are based on Taiwanese statistics.

TANZANIA

U.S. exports to Tanzania

U.S agricultural exports to Tanzania in 1985 totaled $16 million, of which $10 million was food aid. The principal products were soybean oil, $6 million; dairy products, $3 million; bulgur wheat, $2 million; dry beans, $1 million; and flavoring syrups, $1 million.

Tanzanian exports

Tanzania's exports in 1984 totaled $369 million, principally agricultural products. The leading export was coffee, $145 million. Others are cotton, sisal, cashew nuts, meat, cloves, tobacco, tea, and coconut products.

State trading

Tanzania has a socialist government. There is state trading in coffee, cotton, cashews, sisal, tea, pyrethrum, and tobacco. The Government is also involved in trading in other commodities through general trading companies.

Production and export policies

Most agricultural commodities are subject to pricing and marketing regulations, set with consumers and government revenue in mind, which have tended to discourage production.

Export taxes continue to apply to export crops other than coffee and cotton. However, some assistance to exports has been provided by allowing tradding companies to retain a portion of their exchange earnings, by import duty concessions, and in rare cases by cash assistance.

Export licenses and import licenses are required for most products. Foreign exchange, which is extremely limited, is allocated by the Bank of Tanzania.

Imports As part of an agreement with the International Monetary Fund in 1986, the Tanzanian currency was devalued. Some relaxation of import restrictions has occurred, mainly for production inputs.

THAILAND

U.S. exports to Thailand U.S. agricultural exports to Thailand in 1985 totaled $121 million, including tobacco, $48 million; cotton, $34 million; wheat, $13 million; flavoring syrups, $5 million; soybean oil, $5 million; baby chicks, $2 million; and apples, $2 million.

Thailand's exports Thailand's agricultural exports (excluding rubber, fish and fishmeal, and wood) in 1984 totaled $3,588 million, including rice, $853 million; tapioca and tapioca products, $700 million; corn, $425 million; sugar, $221 million; canned pineapple, $120 million; other fruits and vegetables, $179 million; beverages (except distilled), $78 million; tobacco, $70 million; protein meals, $69 million; poultry, $60 million; and sorghum, $34 million.

Price controls Following devaluation in 1984, the Government attempted to freeze many retail prices and went so far as to require prices of 76 commodities to be printed on retail packages. This latter requirement still applies for 21 products, including animal fats and vegetable oils, condensed and evaporated milk, sugar, packaged rice and noodles, canned vegetables and fruits, fish sauce, canned fish, soy sauce, and vinegar. Otherwise price controls have been lifted.

Production and export policies Except for providing improved planting material and subsidizing the price of some fertilizer, the Government generally does not support agricultural production directly. There is a minimum purchase price for soybeans.

In some cases, the Government requires exporters to pay a minimum price to producers in order to get an export license (coffee). In other cases, the Government requires importers to buy domestic products in some proportion to imports (e.g., importers must purchase 3 tons of domestically produced soybean meal for every 4 tons of meal imported). There is a target price for rice, but market intervention is limited.

Exporters benefit from special credit rediscount privileges and, in some cases, tax rebates. In 1985 exporters received $3,285 million in low-interest loans. Such credit improves cash flow, but does not necessarily enhance export levels.

The United States imposes countervailing duties on imports of subsidized rice from Thailand.

Import policies

Import controls include tariffs, licensing, quotas, and prohibitions. Restrictions are greater for products regarded as luxuries or which compete with domestic production.

Imports of the following are banned: fresh citrus fruit, potatoes and potato products, coffee (roasted beans and ground), rice, sugar, fish meal, jute, kenaf, copra, and fresh and dried garlic.

Import licenses are required for soybeans (rarely issued); soybean oil and meal; palm and palm kernel oils; fruit and vegetable juices; pastry, biscuits and other bakery items not containing eggs, sugar, honey, fats, cheese, or fruit; onions; instant coffee; sugar confectionery not containing cocoa; and skimmed milk. Imports of tobacco are licensed to protect the state-owned tobacco manufacturing company.

Import duties on some agricultural commodities were significantly increased in April 1985 and currently range up to 60 percent ad valorem or a specific duty per kilogram, whichever is higher. In addition to customs duties, imports are assessed business taxes calculated from officially determined standard rates of profit.

In the case of processed foods, a food and drug clearance is required from the Ministry of Public Health. Advance approval of each individual product is both time consuming and costly (over $900 per item). Health approval, of course, does not assure that import licenses will be granted.

Government Support to Exports

The principal assistance is credit, as indicated above.

Trade Practices Impeding U.S. Exports to Thailand

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	$80 per ton tax	12.6	Foreign exchange control	30% more exports the first year
Cotton	Tariff	34.5	Protect growers; raise revenue	10-20% more exports
Soybeans and products	Import license	5.1 (oil)	Protect growers	25% more exports
Fruits and vegetables	80-90% tax; citrus fruit banned	3.9	Protect producers; foreign exchange control	100% more exports

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Breeding cattle			No policy constraints	Significant

TRINIDAD AND TOBAGO

U.S. exports to Trinidad and Tobago

U.S. agricultural exports to Trinidad and Tobago in 1985 totaled $109 million, including wheat, $18 million; feeds, $16 million; corn, $15 million; vegetable oils, $10 million; rice, $7 million; vegetables, $7 million; soybean meal, $7 million; eggs, $6 million; cereal food products, $3 million; fruits, $2 million; variety meats, $2 million; and flavoring syrups, $2 million.

Trinidad and Tobago's exports

Sugar, cocoa, and coffee are the main agricultural exports from Trinidad and Tobago. Some citrus fruit is also exported. One objective of the present Government, however, is to shift agricultural resources away from production for export (especially sugar) and into domestic food production.

Price support

Price support continues for cocoa, coffee, and sugar at least through 1987. Price support is provided also to citrus, copra, rice, milk, and pork.

TUNISIA

U.S. exports to Tunisia

U.S. agricultural exports to Tunisia in 1985 totaled $31 million, of which $5 million was food aid. The principal products were corn, $19 million; and wheat, $8 million.

Tunisian exports

Tunisia's agricultural exports in 1985 totaled $168 million, including olive oil, $51 million; dates, $30 million; cotton, $27 million; oranges, $13 million; and wine, $7 million.

Export policies

Tunisia is seeking new means to promote agricultural exports. Agencies have been created to provide political and commercial risk insurance for exporters and to subsidize freight financing. In 1985, countertrade was employed to promote exports of cotton, wheat, and corn to China; olive oil to the USSR; and wine and citrus fruit to Canada.

Tunisia is a provisional member of the GATT.

Import policies

New import licensing measures were introduced in 1985, which increased the difficulty and time required for private concerns to import products. Tunisia's licensing policy aims to permit imports of essential foodstuffs, but to curb non-essentials.

Consumer subsidies

The Government provides large consumer subsidies for bread and cooking oil while assuring high producer prices for grains.

Government Support for Exports

Tunisia's export programs have no significant effect on U. S. agricultural exports.

Trade Practices Impeding U.S. Exports to Tunisia

Import licensing is the main barrier to all imports. The principal opportunities for U.S. sales are listed in Table III, below.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	56	31	Lack of foreign exchange; competitors' prices or subsidies	10
Corn	29	26	Lack of foreign exchange; competitors' prices	3
Tobacco; cigars	22	3	Same as above	7
Cotton	25	2	Price competition	3
Soybean oil	42	0	Lack of foreign exchange; competitors' prices	42
Soybean meal	13	0	Same as above	13
Meat (including poultry)	15	0	Lack of foreign exchange; competitors' prices or subsidies; lack of product awareness	5
Live animals	17	0	Same as above	7
Nonfat dry milk	13	0	Same as above	5

Note: Trade data based on Tunisian statistics.

TURKEY

U.S. exports to Turkey

U.S. agricultural exports to Turkey in 1985 totaled $63 million, including wheat, $16 million; inedible tallow, $14 million; barley, $7 million; sunflowerseed, $5 million; soybeans, $4 million; sunflower oil, $3 million; and corn, $3 million.

Turkish exports

Turkey's agricultural exports in 1985 were estimated at $1,760 million, including livestock and products, $280 million; filberts, $280 million; tobacco, $250 million; cotton, $196 million; pulses, $150 million; raisins, $70 million; and citrus fruit, $56 million.

Export assistance

Turkey's subsidies to exports include a rebate of export taxes and transport subsidies.

Production subsidies

Production is aided by price support for tobacco, cotton, raisins, figs, filberts, olive oil, soybeans, sunflower seed, sugar beets, wool, mohair, wheat, rye, barley, oats, rice, corn, chick peas, lentils, and tea. There are fertilizer subsidies, which the Government seeks to phase out. In 1985, Government agencies imported large quantities of seeds (cotton, sunflower, corn, soybean, and potato) for distribution to farmers on credit, interest free.

Tobacco

The Government controls production and trade in tobacco. A Government monopoly controls the manufacture and sale of tobacco products. Exports of leaf tobacco are taxed and are subject to minimum export prices.

Import policies

A new import regime was announced on December 26, 1985. Agricultural products are no longer banned. Import permits are required in some cases, and many products are subject to an import surcharge.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Cotton	Price support; export subsidy; transport subsidy	196	190
Meat	Export subsidy; transport subsidy	78	50

Government Support for Exports (Continued)

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Deciduous fruits	Export subsidy; transport subsidy	64	45
Citrus fruits	Same as above	56	40
Eggs	Same as above	46	35
Tomato paste	Same as above	43	35
Poultry meat	Same as above	6	4

Trade Practices Impeding U.S. Exports to Turkey

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Import surcharge	15.7	Protect producers	Significant
Soybean oil	Same as above	0	Same as above	Moderate
Sunflower oil	Same as above	3.2	Same as above	Moderate
Hides and skins	Same as above	0	Same as above	Significant
Rice	Same as above	0	Same as above	Significant
Soybeans	Same as above	4.2	Same as above	Significant
Tallow	Same as above	14.2	Same as above	Significant
Corn	Same as above	3.0	Same as above	Significant

Trade Practices Impeding U.S. Exports to Turkey (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Dry milk	Same as above	0	Same as above	Moderate
Barley	Same as above	6.7	Same as above	Significant

Market Opportunities

Essentially the same as above.

UNION OF SOVIET SOCIALIST REPUBLICS (USSR)

U.S. exports to the USSR

U.S. agricultural exports to the USSR in 1985 totaled $1,908 million. The USSR was the third largest market for U. S. agricultural exports after the European Community and Japan. The principal products were corn, $1,541 million; wheat, $162 million; almonds, $68 million; cotton, $64 million; inedible tallow, $38 million; soybean oil, $27 million; and tobacco, $7 million.

Trading with the USSR

Production and marketing decisions in the USSR are made by the Government. State trading and hard-currency requirements are the major impediments to expanded U.S. agricultural sales to the USSR. The foreign trade bureaucracy is often removed from end-users, and the lack of hard currency has led the USSR to push for more balance in bilateral trade and more use of counter-trade agreements.

The USSR is instituting a limited decentralization of import and export decisions. The real extent of these changes are not likely to be known for some time. Much will depend upon how much latitude the Government is willing to give to potential importers and exporters.

In importing, the USSR gives preference to satellite suppliers. China has become important as a supplier of corn, cotton and soybeans. The USSR has long term grain agreements with the United States, Canada, Argentina, France, Brazil, Thailand and Hungary. For the most part, the USSR is a market only for bulk commodities. Processed foods are imported mostly from Bloc partners and from Finland under counter-trade arrangements.

At this time U.S. trade with the USSR in grains is guided by the Long-Term Agreement (LTA) negotiated in 1983. Under the LTA, the USSR agreed to purchase 9 million tons of U.S. grain annually, including at least 4 million tons each of wheat and corn. Soviet purchases of U. S. corn have always reached the LTA level, but Soviet imports of U.S. wheat in 1984/85 totaled only 2.9 million tons, then dropped to 152,600 tons in 1985/86, in spite of U. S. Export Enhancement Program subsidies of $13-15 per ton offered on sales up to 4 million tons.

The USSR is not eligible for U.S. Government credit or credit guarantees, nor does the USSR receive most-favored-nation treatment on its exports to the United States as long as the USSR retains restrictive emigration policies.

The USSR is not a member of the GATT.

Soviet exports

In 1985, Soviet agricultural exports (including natural fibers, but excluding fish and forest products) totaled $2.1 billion. Furs are the principal Soviet export competing with the United States.

UNITED ARAB EMIRATES

U.S. agricultural exports to the United Arab Emirates in 1985 totaled $44 million, including fresh fruit, $9 million; vegetable preparations, $6 million; vegetable oils, $4 million; fruit juice, $4 million; almonds, $3 million; rice, $3 million; and corn, $3 million.

The desert conditions preclude significant agricultural production. Petroleum is the principal product and export. The United Arab Emirates' agricultural exports are mainly re-exports and totaled $64 million.

The United Arab Emirates subsidizes production of poultry, eggs, milk, vegetables, and fruits, and subsidizes imports of rice, wheat, sugar, cattle, powdered milk, and vegetable oils). Most food is imported and is not subject to either duties or restrictions.

The United Arab Emirates does not belong to the GATT, but has agreed to apply its provisions.

Government Support for Exports

None.

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Trade Practices Impeding U.S. Exports to the United Arab Emirates

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Rice	Government corporation buys basmati rice from India and Pakistan (U.S. is not invited to bid) and sells at subsidized price; other rice is not subsidized	2.7	Basmati preferred	Significant
Wheat	Government controlled flour mill contracts with Australia	0	Custom; price	Significant if U.S. price is competitive

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Frozen poultry meat	12	1.0	Competitors' subsidies	Over $10 million
Beef	49	1.0	Same as above	Over $10 million
Eggs	17	1.0	Same as above	Over $5 million
Dairy products	61	0	Same as above	Over $10 million
Rice	47	2.7	Lack of consumer awareness; preference for India and Pakistan	Over $5 million

Market Opportunities (Continued)

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Wheat	33	0	Preference for Australia	Over $5 million
Cereal preparations	11	1.0	Lack of consumer awareness	Over $5 million
Confectionery and biscuits	28	0	Same as above	Over $5 million
Canned vegetables	22	0.9	Same as above	Over $10 million
Forest products	34	0	Same as above	Over $5 million

UNITED KINGDOM (SEE EUROPEAN COMMUNITY)

URUGUAY

U.S. agricultural exports to Uruguay in 1985 totaled $2 million.

Uruguay's agricultural exports in 1985 totaled about $400 million, including wool, $138 million; beef, $110 million; rice, $76 million; citrus fruit, $21 million; barley and malted barley, $16 million; casein and caseinates, $7 million; butter, $6 million; and cheese, $4 million.

In 1985, Uruguay raised support prices for wheat in an effort to become self-sufficient. Imports were prohibited. Support is given also to other products--grains, oilseeds, and milk. Exports of livestock products are taxed for revenue, but a drawback of taxes is also provided for all products. Exports of hides are banned.

Import licenses are required for all products. There is an animal health embargo on imports of live animals and fresh or frozen meat. There is state trading in ethyl alcohol.

Government Support for Exports

No major incentives.

Trade Practices Impeding U.S. Exports to Uruguay

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
All agricultural products produced locally	Temporary import permit	18	Conserve foreign exchange	$30 million
Frozen embryos	Complicated animal health regulations	0	Conserve foreign exchange	$1 million or more
Livestock	Import duty; certificates of necessity	0.2	Same as above; revenue	$100,000

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Seed potatoes	2	0	High transport costs	1

VENEZUELA

U.S. exports to Venezuela

U.S. agricultural exports to Venezuela in 1985 totaled $638 million. Venezuela was the ninth largest market for U.S. agricultural exports. The principal products were soybean meal, $135 million; sorghum, $106 million; wheat, $99 million; vegetable oils, $78 million; corn, $70 million; soybeans, $36 million; pulses, $21 million; inedible tallow, $13 million; seeds, $10 million; live cattle, $6 million; hops, $4 million; variety meats, $4 million; essential oils, $4 million; vegetable preparations, $3 million; flavoring syrups, $3 million; feeds, $2 million; raisins, $2 million; and baby chicks, $2 million.

Venezuelan exports

Petroleum is Venezuela's major export. Agricultural exports in 1985 totaled about $80 million, including coffee, $17 million; root crops (potatoes), $16 million; cocoa and cocoa butter, $13 million; and tobacco and tobacco products, $8 million.

Production and trade policies

Agricultural development has a high priority. Incentives in the last 2 years have included infrastructure investments, producer support prices, a 50 percent subsidy to fertilizer prices; production credit at preferential rates (especially for corn); refinancing of producer debts; establishment of import quotas only when domestic supplies have been exhausted; investment in agriculture as a condition to allocation of import quotas to manufacturers; banning of imports regarded as luxuries (including most processed foods) or for which domestic supplies are considered adequate (e.g., corn); and export incentives (direct subsidies, credit).

Export bonus program

The principal export program is one under which exporters receive fully negotiable bonuses which range from 10-30 percent of the f.o.b. net export value (25-30 percent for most agricultural products). This percentage varies according to the imported component of the product to be exported. With the exception of coffee, cocoa products, and other tropical products in which the United States has little export interest, the annual export value of individual commodities under this program is less than $5 million.

Other import policies

Venezuela operates a multiple exchange rate system under which most agricultural products were imported at about half the free market rate. In 1986, the rate was changed to one less favorable for agricultural imports. Import licenses are required in advance of placing an order.

Preference is given to imports from other Latin American countries.

Venezuela is not a member of the GATT.

Government Support for Exports

See text above.

Trade Practices Impeding U.S. Exports to Venezuela

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Meat	Turkey, pig, horse, sheep, and goat meat are banned; restrictive licensing	9	Protect domestic production; save foreign exchange	$12 million
Black beans	Restrictive licensing; preference to Chile	0	Same as above; trade agreement	$500,000
Apples	Prohibited	0	Protect domestic production; save foreign exchange	$15 million
Pears	Prohibited	0	Same as above	$5 million
Almonds	Restrictive licensing	994	Save foreign exchange	$2 million
Wheat	Restrictive licensing	117	Same as above	$26 million
Corn	Popcorn banned; other corn licensed only to supplement domestic supplies	81	Protect domestic production; save foreign exchange	$30 million
Sorghum seed	Same as above	8	Same as above	$3 million
Seed potatoes	Same as above; U.S. varieties not approved	0	Same as above	$1 million
Purees of apples or pears	Restrictive licensing; preference to Argentina	0	Protect domestic industry; trade agreement	$3 million

Trade Practices Impeding U.S. Exports to Venezuela (Continued)

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wine	Restrictive label approval		Consumer protection	Significant

Note: Trade data in most cases are based on Venezuelan statistics. Estimates of benefits are based on imports in 1982.

Market Opportunities

Commodity	Import Value ($ Million)		Constraints to Trade	Potential New U.S. Exports ($ Million)
	Total	U.S.		
Sorghum	125	123	Restrictive licensing as for corn (See Table II)	3
Malting barley	30	0	Restrictive licensing; subsidized competition from the EC	2
Soybeans	41	36	Restrictive licensing	1
Protein meal	141	137	Restrictive licensing	4
Edible oils	160	76	Restrictive licensing; competition from Argentina and Brazil	4
Pulses	45	28	Same as above	1

Note: See also Table II. Trade data based on Venezuelan statistics.

YEMEN ARAB REPUBLIC (NORTH YEMEN)

U.S. agricultural exports to North Yemen in 1985 totaled $15 million, of which $10 million was food aid. The principal products were rice, $8 million; and wheat, $4 million.

Yemen's exports in 1984 totaled $9 million, including qat (a narcotic), cotton, coffee, hides, and vegetables.

The Yemen Arab Republic is not a member of the GATT.

YUGOSLAVIA

U.S. exports to Yugoslavia

U.S. agricultural exports to Yugoslavia in 1985 totaled $135 million, including soybeans, $50 million; cotton, $47 million; hides and skins, $20 million; and soybean meal, $13 million.

Yugoslavia's exports

Yugoslavia's agricultural exports in 1984 totaled $1,006 million, including meat, $261 million; grains and grain products, $205 million; fruits and vegetables, $196 million; live animals, $86 million; tobacco, $77 million; and beverages, $70 million.

Production policies

Yugoslavia sets "protective" prices which the republics and provinces must guarantee to producers of wheat, corn, rice, sunflowerseed, rapeseed, soybeans, sugar beets, tobacco, cotton, wool, fresh milk, livestock for slaughter (cattle, sheep, and hogs), and broilers. Premium prices may be accorded, although none were granted in 1985 from the federal budget. Republics and provinces paid premiums for wheat, sugar beets, oilseeds, and milk. Similar premiums were announced for 1986. There was also a premium in Macedonia for cotton. In addition, certain republics and provinces subsidize inputs, especially fertilizer.

Export policies

Certain exports are restricted--most grains, oilseeds and products, and hides and skins.

Incentives to exports include drawback of income taxes, as well as reduced freight charges (partial), and customs duties. When specifically approved by the Government, exporters may arrange "compensation" trade--an export subsidy provided by allowing the exporter to import commodities duty free for resale on the domestic market at high, protected prices.

Import policies

Imports are subject to customs duties, which may be reduced temporarily for essential items. However, in July 1986 surcharges were added to import duties for a number of products in order to bring the price of imports up to prices of domestic products, i.e, live cattle, hogs, and sheep; meat from these animals; broilers; wheat, corn, and rice; soybeans, sunflowerseed, rapeseed, and their oils; sugar beets and sugar; tobacco; wool; and cotton.

Imports are classified as free (no restrictions), contingent (subject to quota), license required, and conditionally free (subject to foreign exchange allocation). Most agricultural products fall in the contingent or conditionally free categories. Quotas are set by the government after consultation with end users.

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Corn	Price support; "compensation" trade; duty drawback; export subsidies also possible	200	150
Tobacco	Price support; duty drawback; export subsidies also possible	55	50
Meat	Same as above	370	250-300

Trade Practices Impeding U.S. Exports to Yugoslavia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Import quota and licensing	0	Protect producers; save foreign exchange	$10 million

Trade Practices Impeding U.S. Exports to Yugoslavia

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Soybeans	Import quota and licensing; import surcharge (severe impact because there is no surcharge on meal)	50	Protect producers; save foreign exchange	$15 million
Cotton	Import quota and licensing; import surcharge	47	Save foreign exchange	$5 million
Hides and skins	Import quota and licensing	20	Same as above	$5 million

Market Opportunities

Same as above.

ZAIRE

U.S. agricultural exports to Zaire in 1985 totaled $25 million, of which $13 million was food aid. The principal products were wheat, $16 million; and cotton, $7 million.

Zaire's principal agricultural export is coffee.

ZAMBIA

U. S. agricultural exports to Zambia in 1985 totaled $7 million, all food aid.

Zambia's main agricultural export is tobacco. All imports are subject to licensing.

ZIMBABWE

U.S. agricultural exports to Zimbabwe in 1985 totaled $6 million, predominantly food aid. Wheat is usually the only significant agricultural import from the United States.

Zimbabwe's principal agricultural exports are tobacco ($201 million in 1985) and cotton ($92 million in 1984).

Government Support for Exports

Commodity	Nature of Support	1985 Exports ($ Million)	Likely Value of Exports in Absence of Support
Tobacco	Some exports by barter arranged by the Government	375	350
Cotton	All exports are by the Cotton Marketing Board, which absorbs the difference between the farm price and the export value	78	75
Corn	The Grain Marketing Board (GMB) is the sole authorized buyer and seller; the GMB exports on its own account or sells to traders, or barters; the GMB absorbs the difference between the farm price and the export value.	62	0

Trade Practices Impeding U.S. Exports to Zimbabwe

Commodity	Policy or Practice	1985 Value ($ Mil.)	Reason for Barrier	Benefit to U.S. if Removed
Wheat	Restrictions on foreign currency allocations for agricultural commodities	0	Save foreign exchange	U.S. would have chance to bid on wheat needs

Market Opportunities

Any other opportunities would be well below $5 million in value to U.S. exports.

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